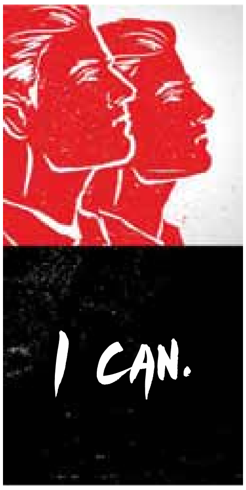


AMBUJA CEMENTS LIMITED
ANNUAL REPORT 2013

OUR VISION

TO BE THE MOST SUSTAINABLE AND COMPETITIVE COMPANY IN OUR INDUSTRY

OUR MISSION - CREATE VALUE FOR ALL

Delighted Customers | Inspired Employees | Enlightened Partners

Energised Society | Loyal Shareholders | Healthy Environment

CONTENT

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

CORPORATE INFORMATION

CHAIRMAN EMERITUS
Mr. Suresh Neotia

BOARD OF DIRECTORS
Mr. N. S. Sekhsaria - Chairman
Mr. Paul Hugentobler
- Vice Chairman *(up to 6th February, 2014)*
Mr. Bernard Fontana
Mr. Bernard Terver *(w.e.f. 4th December, 2013)*
Mr. Nasser Munjee
Mr. Rajendra P. Chitale
Mr. Shailesh Haribhakti
Dr. Omkar Goswami
Mr. Haigreve Khaitan
Mr. B. L. Taparia
Mr. Onne van der Weijde - Managing Director

DY. MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
Mr. Ajay Kapur *(w.e.f. 1st August, 2013)*

CHIEF FINANCIAL OFFICER
Mr. Sanjeev Churiwala

COMPANY SECRETARY
Mr. Rajiv Gandhi

BUSINESS HEADS
Mr. J. C. Toshniwal (North)
Mr. Vilas Deshmukh (West & South)
Mr. Vivek Agnihotri (East)

AUDITORS
M/s. S. R. Batliboi & Co. LLP (Statutory Auditors)
P. M. Nanabhoy & Co. (Cost Auditors)

CORPORATE OFFICE
Elegant Business Park
MIDC Cross Road ‘B’
Off Andheri-Kurla Road
Andheri (E), Mumbai 400 059

REGISTERED OFFICE
P. O. Ambujanagar, Tal. Kodinar
Dist. Gir Somnath, Gujarat 362 715

CHAIRMAN'S LETTER

Dear Shareholders,

It gives me great pleasure to announce a momentous event in Ambuja's history.

Last year, while restructuring its presence in India, Holcim invited Ambuja to merge with Holcim India – a union that makes ACC Limited a subsidiary of Ambuja. ACC is a company that needs no introduction; over the past century it has helped lead the way forward for the Indian cement industry and been the cornerstone of India's nation-building efforts.

I am happy to inform you that this amalgamation has been approved by Ambuja's Independent Board of Directors, and by you, the Shareholders. I would like to thank each of you for giving the Board your vote of confidence. The merger will be completed in due course, once approvals are received.

Ambuja and ACC can look forward to synergies in many facets of operations, from procurement to logistics. With ACC, Ambuja Shareholders have access to the finest assets, the most advantageous plant locations and a dealer network that is second to none. More importantly, Ambuja can now join hands with a distinguished organisation that has been a fountainhead of ideas and talent for the cement industry. I am sure this will be a turning point in the history of Ambuja and ACC, as we go from strength to strength together.

While we have much to celebrate, we must also be prepared for the challenges that face us. The last few years have been difficult for the Indian economy. Our country's economic growth rate continued its decline to a 10-year low of 5% growth, from April 2012 to March 2013. Growth was impacted by high inflation, a slowdown in investment and industrial expansion, high interest rates and a subdued global economy.

The year did not augur well for the cement sector. Our industry had already witnessed a slowdown in demand in the previous year, with the trend continuing in 2013. Demand did not rise in the first part of the year as expected, and was subdued during a monsoon season marked by heavy rains, flooding and a severe cyclone in Eastern India. Last year, our net sales and profit were lower than 2012 by 6% and 0.2%, at ₹ 9,086.84 and ₹ 1,294.57 crores respectively.

Difficult times bring out the best in our people. Throughout the downturn, their 'I Can' spirit has turned every adversity into an opportunity, to make Ambuja a better, more efficient company. Over the past 4 years, aggressive cost-cutting targets have been set, and stricter scrutiny measures implemented. Some notable initiatives from the past year were Project SCOPE, which helped optimise supply chain efficiency, and Project LEAP, an initiative aimed at identifying potential savings and creating a world-class procurement organisation. Our manufacturing excellence program, People Power, was rolled out at all our plants. Together, these efforts have made a significant impact and done a great deal to help us weather the downturn.

Simultaneously, we have been investing in our future through initiatives that nurture our human capital. The MaCX (Marketing and Commercial Excellence) program, launched in 2012, has helped our leaders to sharpen the Company's marketing strategy. Last year Ambuja strengthened its focus on OH&S (Occupational Health and Safety) by investing more resources in the program. This included the launching of We Care, a measure that ensures that a culture of safety is instilled in every aspect of our work.

I am proud of the strides Ambuja Cement Foundation (ACF) has made to improve the quality of life in communities across the country. ACF functionaries, working in numerous programmes at the village level, have used their expertise to ensure each project is sustainable and enjoys the complete support and participation of the community. This year, ACF's work was once again recognised and awarded for its outstanding contribution to water resource management, skill development training, agriculture, health and education.

Our people have proved, time and again, that their 'I Can' spirit can overcome every challenge the year brings. With our renewed focus on safety, efficiency, quality, management excellence, and the strength of ACC on our side, I am confident we will take the Company to a whole new level of achievement.

With warm regards,

N. S. Sekhsaria

N. S. Sekhsaria

6th February, 2014

FINANCIAL HIGHLIGHTS OF 5 YEARS

Amount in ₹ crores

	2013	2012	2011	2010	2009
INCOME STATEMENT					
Net Sales	9,087	9,675	8,504	7,390	7,077
Operating EBITDA	1,651	2,473	1,977	1,951	1,971
Profit Before Tax	1,514	1,902	1,703	1,662	1,803
Profit After Tax	1,295	1,297	1,229	1,264	1,218
BALANCE SHEET					
Net Worth	9,486	8,805	8,069	7,330	6,468
Borrowings	29	35	43	65	166
Capital Employed	10,121	9,414	8,778	7,926	7,120
Fixed Assets - Gross Block	10,826	10,184	9,702	8,779	6,224
Fixed Assets - Net Block	6,063	5,862	6,186	5,628	3,440
Current Assets	5,537	5,276	4,264	3,135	1,979
Current Liabilities	2,843	2,899	2,764	2,394	1,741
CASH FLOW STATEMENT					
Net Cash Generated from Operations	1,200	1,858	1,533	1,876	2,126
Cash and Cash Equivalents	3,961	3,860	2,899	2,289	1,415
SIGNIFICANT RATIOS					
Operating EBITDA / Net Sales	18%	26%	23%	26%	28%
Return on Capital Employed (EBIT/ Avg. CE)	16%	22%	21%	23%	27%
Debt Equity Ratio (Debt/ [Debt+NW])	0.00	0.00	0.01	0.01	0.03
Price Earning Ratio#	21.97	23.83	19.37	17.28	12.96
Book Value Per Share (₹)	61.43	57.24	52.67	48.01	42.47
Basic Earning Per Share (₹)	8.39	8.43	8.02	8.28	8.00
Dividend Per Share (₹)	3.60	3.60	3.20	2.60	2.40
Dividend Payout Ratio	50%	50%	46%	37%	35%
Current Ratio	1.95	1.82	1.54	1.31	1.14
OPERATIONS					
Cement Capacity - Million Tonnes	27.95	27.95	27.35	25.00	22.00
Cement Production - Million Tonnes	20.96	21.62	20.97	20.13	18.83

Market Price as per BSE on last day of year.
Figures for year 2013, 2012 and 2011 are based on Revised Schedule VI.

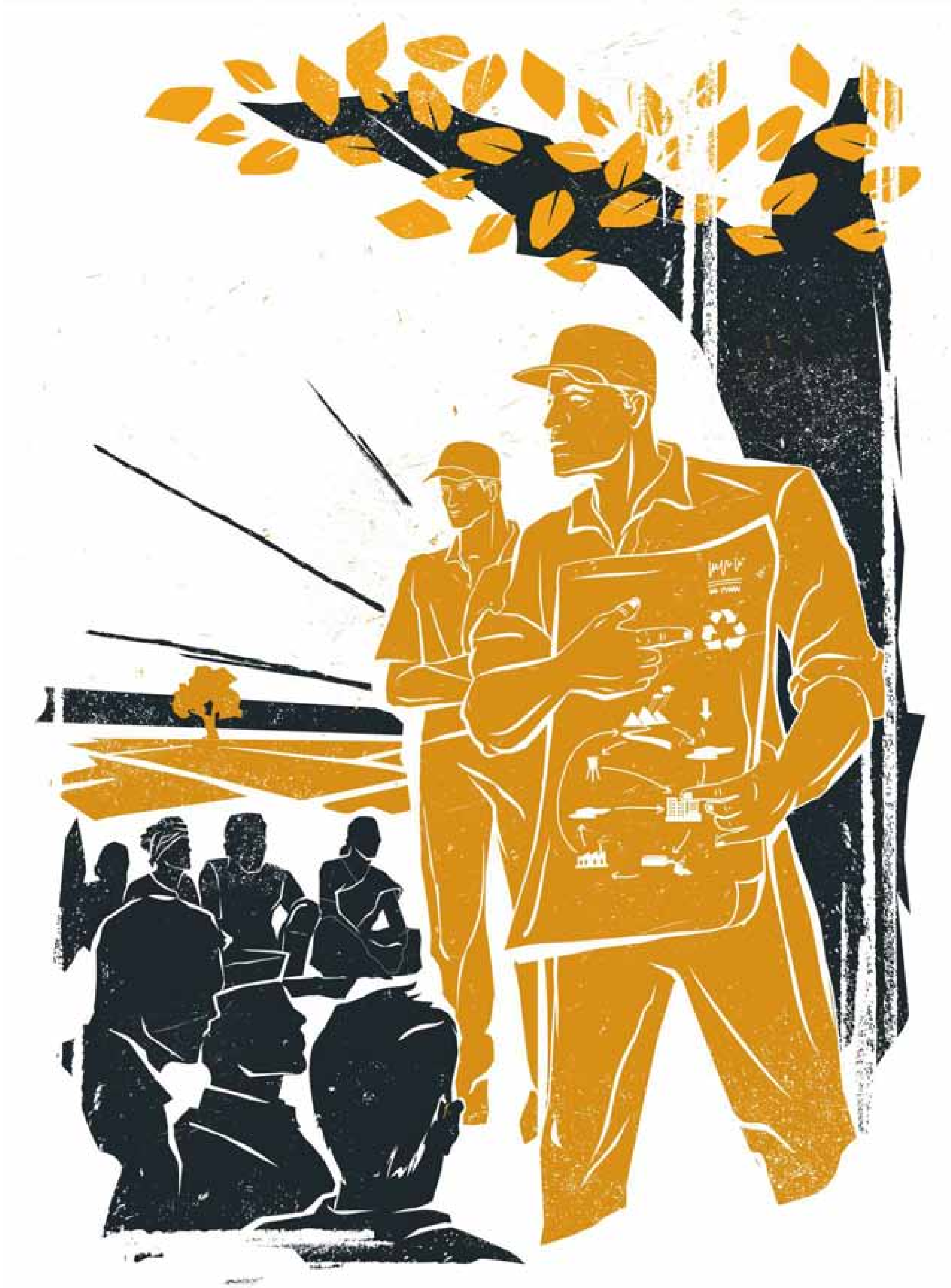
WE SAVED COSTS, SPEEDED UP PRODUCTION AND IMPROVED OUR PRODUCT. ALL THANKS TO A JAM IN THE MACHINERY.

Ambuja's Rabriyawas plant faced a persistent problem. In the final stages of cement production, a coating would form around the insides of the kiln. The machinery would regularly jam up, causing delays. To resolve these problems our engineers consulted with various local and international experts. But the solutions they implemented were both costly and impractical for production. Even after stabilising operations, the rising costs of production were too great in a competitive market.

Our engineers were on their own. And they had the greatest challenge resting on their shoulders - to find a solution that eluded even global experts. The mounting pressure of the situation served as a motivator to do something unprecedented. A meeting of minds took place. And it was decided that each person would investigate a different part of the manufacturing process – right from raw materials to the finished product.

The teams spent weeks searching for solutions. They sought to find the right mix of raw materials, while increasing the usage of alternative fuels in order to optimise costs. It wasn't just science; finding the right balance was an art. Then one day, the engineers fine-tuned this mix till they created a masterpiece. Thanks to the new formula, cement output was now higher than ever before and the problem of coating was resolved. But the team didn't stop there. By relooking at the logistics management and improving delivery a significant improvement on time and costs were achieved.

Plant operations stabilised and became more efficient, with production costs reducing by 7%. And it all started with a problem. It was a transformation that was engineered through the Company's most time tested belief, of turning a daunting task into a stellar achievement. The result? A saving of 250 million INR.



HOW DO YOU BREAK GENERATIONS OF UNHEALTHY PRACTICES? WITH A LITTLE HEALTHY COMPETITION.

The Ambuja Cement Foundation works with communities in remote villages to bring about change. One such village, called Babapur Shedwahi, suffered from the problem of poor sanitation. The tricky part was, the villagers didn't view it as a problem. Generations of unsanitary practices formed a barrier in not just habits but attitudes as well. Even speaking on the issue was considered inappropriate.

Clearly a drastic change of mindset was needed. After all, you can't alter years of habitual behaviour overnight. They began with introducing the topic to small groups through educational talks. But the initial response of most people was indifferent, with not enough enthusiasts to make any difference. To touch an entire village they needed a bigger, more inclusive strategy. Reflecting on their own experiences the ACF team thought about what motivated them to undertake this initiative. It was the answer they were looking for – the 'I Can' spirit of relishing impossible tasks. They needed to transfer this spirit to the villagers.

It was then that one of our workers had an idea. Instead of treating sanitation as a serious issue why not infuse an interesting challenge instead? The entire community was enrolled in a novel concept - an annual inter-village competition. The cleanest village takes home the award and title. The ACF team rolled out a roadmap, and training programs were held on the construction of soak pits, drains and garbage disposal units. Volunteers from the village started maintaining the toilets and streets. Stirred by the gusto of their people, even panchayat members lent their whole-hearted support.

A walk through the streets today reveals how effective the clean-up has been. Cleanliness is now a way of life and Babapur Shedwahi is the favourite in the run-up to the award. Proving that some barriers in the mind can only be broken by an equally powerful idea – 'I Can'.

A BREAKTHROUGH FOR THE ENTIRE CEMENT INDUSTRY. IT WAS ALL A COVER-UP.

The most crucial infrastructure of the country, from roads to buildings to flyovers, can only be built through the enduring strength of cement. But one of the things that make cement strong and durable in the first place, is a watering process called curing. Traditionally, copious amount of water are poured and replenished on concrete surfaces for seven days.

But one Ambuja engineer decided to question this wasteful method. He started by weighing the pros and cons of traditional 'Pond Curing'. The drawback is excessive evaporation. Not to mention the manpower for refilling the ponds. His challenge then was how to keep the cement wet without consistently adding water. A fairly contradictory situation. But he realised that the solution lay in the contradiction. Why not make the refilling redundant by preventing evaporation in the first place?

To cover the water, he needed a non-absorbent, but cost-effective material. He found that plastic ticked all the boxes. But ordinary plastic sheets can't withstand high temperatures. To beat the heat, our engineer used a typical summer habit. He switched to white, the colour that naturally reflects sunrays. Then there was the other menace of strong winds. For stability, not even an inch's gap was left between the sheets. And the corners of each sheet were designed with six-inch pockets, lined with velcro. A series of white, inter-linked sheets were now ready for production.

In just the first trial period of 2013, this method managed to conserve 6 million litres - enough water to fill three Olympic-sized swimming pools. One can imagine the multiplying effect as its usage expands; a simple advancement in Pond Curing that could actually conserve an entire pond! It's an innovation that has forever changed the way cement is cured. Which goes to show that one person challenging the status quo can affect an entire industry forever.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,
We are pleased to present the Annual Report of the Company for the year 2013.

1. INDIAN ECONOMY

A Year of Challenges

Slowing growth, rising inflation and the depreciating rupee marked the onset of 2013 setting in motion a challenging year for the Indian economy. Growth rate continued to slide despite attempts by the government to stem the tide with a host of traditional and innovative measures. Efforts were further constrained due to global headwinds.

To boost investor confidence, the Cabinet Committee on Investments approved infrastructure projects entailing huge investments.

However, given the weak start, we expect that real GDP growth would average at 4.5-5% in 2013-14.

FLAT GROWTH FOR CEMENT INDUSTRY

The cement industry witnessed flat growth in 2013 due to several reasons - a prolonged monsoon that extended until the festive season, natural calamities (floods and cyclone) that hit many parts of India and low demand due to financial crunch and slowdown in realty and infrastructure sectors.

In the first half of 2013, industry demand was slow due to fall in construction activity and a virtual halt in government spending. During the second half, the early arrival of the monsoon compared with the previous year did not augur well.

The cement industry also faced rising costs, high interest rates, land acquisition and clearance issues. An overall weak macro environment and ban on sand mining continued to worry the industry.

Increase in freight rates for several commodities has had a cascading impact on the cement industry. An increase in freight rates for coal and cement drove up transportation cost as well as the landed cost of imported goods. Moreover, the rupee's weakness against the U.S. dollar and other global currencies prevented India from taking advantage of the decline in commodity prices in the world market.

Over the past few years, the cement industry witnessed huge capacity addition (almost 90 million tones on the available supply basis), which substantially increased the gap between demand and supply and consequently lowered capacity utilization.

We expect demand to gradually revive over 2014 and 2015 with a new government and recovery in construction activity.

2. FINANCIAL RESULTS 2013

AT A GLANCE (STAND ALONE RESULTS):

- Cement production decreased by 3% to reach 20.96 million tonnes, from 21.62 million tonnes while clinker production decreased to 14.27 million tonnes, 10% down from 15.81 million tonnes in year 2012.

- Domestic cement sales volume continued with sluggish demand by recording a decrease of 2% at 20.94 million tonnes from 21.31 million tonnes in year 2012. Cement exports decreased to 0.10 million tonnes from 0.12 million tonnes in year 2012. Clinker sales (including exports) were up at 0.56 million tonnes from 0.55 million tonnes in 2012.

- Net sales at ₹9,087 crores were 6% lower than that of previous year's ₹9,675 crores. Average sales realisation decreased by around 4% at ₹4,208 per tonne against approx ₹4,400 per tonne in 2012.

- Total (operating) expenses for the year 2013 increased by 2% over that of year 2012.

- The Company achieved an absolute EBITDA of ₹1651 crores in year 2013. This is lower by 33% over the corresponding ₹2473 crores of the year 2012.

- Profit before tax at ₹1,514 crores was down by 20% over corresponding figure of ₹1902 crores for year 2012.

- Net Profit at ₹1,295 crores was down by 0.2% over corresponding figure of ₹1297 crores for the year 2012.

Amount in ₹ crores

	Stand alone		Consolidated	
	Current Year 31.12.2013	Previous Year 31.12.2012	Current Year 31.12.2013	Previous Year 31.12.2012
Sales (Net of excise duty)	9086.84	9674.94	9118.00	9739.54
Profit before interest and depreciation	2044.45	2821.84	2033.91	2821.95
Less: Finance Cost	65.08	75.66	66.75	78.46
Gross profit	**1979.37**	**2746.18**	**1967.16**	**2743.49**
Less: Depreciation and amortisation expense	490.07	565.22	493.67	568.68
Profit before Exceptional Items and Tax	1489.30	2180.96	1473.49	2174.81
Exceptional items	(24.82)	279.13	(24.82)	279.13
Profit before tax	1514.12	1901.83	1498.31	1895.68
Less: Tax expense	219.55	604.77	219.87	603.86
Profit after tax but before minority Interest	1294.57	1297.06	1278.44	1291.82
Less: Minority interest	–	–	(0.13)	(1.39)
Profit for the Year	**1294.57**	**1297.06**	**1278.57**	**1293.21**
Add: Balance as per the last financial statements	737.01	284.75	1048.09	598.72
Profit available for appropriation	**2031.58**	**1581.81**	**2326.66**	**1891.93**
Appropriations:				
Consequent to change in group's interest	–	–	–	(0.96)
General Reserve	150.00	200.00	150.00	200.00
Dividend on Equity Shares (including interim)	556.34	554.80	556.34	554.80
Corporate Dividend Tax	94.55	90.00	94.55	90.00
Total Appropriations	**800.89**	**844.80**	**800.89**	**843.84**
Balance carried forward to Balance Sheet	1230.69	737.01	1525.77	1048.09

3. DIVIDEND

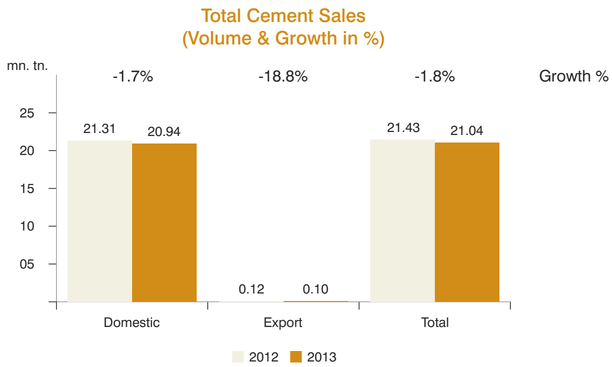
The Company has paid an interim dividend of 70% (₹1.40 per share) during the year. The Directors are pleased to recommend a final dividend of 110% (₹2.20 per share). Thus the aggregate dividend for the year 2013 works out to 180% (₹3.60 per share) and the total payout will be ₹650.89 crores, including dividend distribution tax of ₹94.55 crores. This represents a payout ratio of 50%.

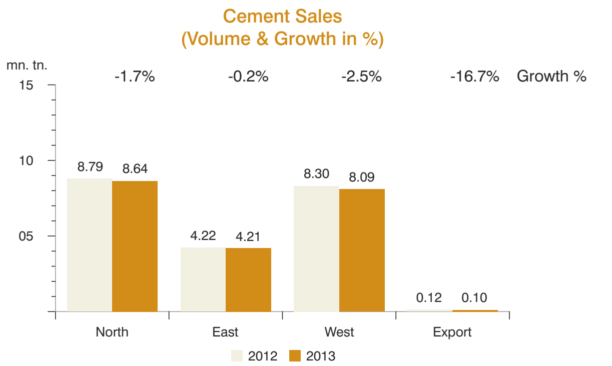
4. MARKET DEVELOPMENTS

The Company's domestic cement sales in 2013 declined by 1.7% to 20.94 million tonnes as compared to 21.31 million tonnes achieved in 2012. Total cement sales (including exports) declined by 1.8% to 21.04 million tonnes as compared to 21.43 million tonnes achieved in 2012.

REGION-WISE SALES VOLUME / GROWTH

In the North region, domestic cement sales of the Company declined by 1.7% to 8.64 million tonnes in 2013 compared to 8.79 million tonnes in 2012.





In the East region, the Company achieved sales of 4.21 million tonnes of cement in the domestic market, registering a decline of 0.2% over the previous year sales of 4.22 million tonnes.

In the West & South region, the Company's domestic cement sales in 2013 declined by 2.5% to 8.09 million tonnes as compared to 8.30 million tonnes achieved in 2012.

Cement exports in 2013 reduced further to 0.10 million tonnes as compared to 0.12 million tonnes in 2012.

GROWING THE DISTRIBUTION FOOTPRINT

The Company continues to develop and leverage its large and able network of around 8,500 dealers and 27,000 retailers across India. Their reach and penetration helps the Company in core rural and semi-urban markets across the country. This, coupled with the strong brand equity and efficient channel management, has significantly helped the Company to withstand severe competition in an over-supplied market.

The Company's network of ports, bulk cement terminals and captive ships on the west coast has supported a sustainable and strong market position in Mumbai, Surat and Cochin. The Mangalore Bulk Cement Terminal that commenced its commercial operations in 2013 will further strengthen the Company's position and enhance its footprint in the South region.

ENHANCING OUR SYSTEMS

The Company embarked on the Marketing and Commercial Excellence (MaCX) programme to further sharpen its marketing, sales and distribution functions. This ambitious programme is part of the comprehensive Holcim Leadership Journey (HLJ), announced by Holcim management across the globe to deliver gains and create value in a competitive environment over the next few years. MaCX aims to supplement in-house skills with global expertise of Holcim and that of advisory firms, to revamp customer interfacing functions by focusing on core value levers. This is an investment to future proof the Company and to promote an environment of innovation and excellence.

5. COST DEVELOPMENTS

During the year 2013, the economy witnessed upward movement in overall cost structure and volatile foreign exchange rates. However, the Company implemented cost optimisation initiatives which helped in containing inflationary impact to some extent.

MAJOR COST MOVEMENTS:

i) Cost of **major raw material**, fly ash, increased by 7% on per tonne basis. However, strategy to change in mix of gypsum resulted in cost decrease by 2% on per tonne basis. Overall, the absolute raw material cost decreased by approx. 6% over the previous year including the impact of lower volumes.

ii) **Power and fuel** costs account for approximately 26% of the total operating cost of the Company. Coal cost for kiln and captive power plants reduced by 8% and 10% respectively, due to reduced usage of imported coal and also substitution of high cost coal by pet coke usage. Besides, there was increased usage of Alternate fuels by 3% over the usage for the year 2012.

   Cost of grid power continued its upward movement with per kwh rate increasing by approximately 22% over the previous year. In 2013, captive power generation which supports 66% of the total power requirements of the Company, reduced by 10%.

   Overall, the reduction in dependence on grid, increase usage of captive power and reduction in fuel prices have helped the Company in registering a decrease of 11% in absolute cost of power and fuel as compared to the year 2012.

iii) **Freight and forwarding cost** works out to 30% of total operating costs. During the year, the same hardened by 6% on per tonne basis over the year 2012 due to an increase in diesel prices.

iv) The **cost of packing bags** went up by around 14%, driven by increase in PP granule prices.

COST MITIGATION MEASURES / EFFICIENCY IMPROVEMENT INITIATIVES:

i) Keeping in line with the corporate philosophy, focus on production of fly ash based PPC was maintained.

ii) The Company launched its first fully automatic one million tonne capacity terminal in Mangalore. This will help the Company in reducing the negative seasonality effect of the Company's Gujarat plant. Besides, the logistic costs will be reduced as there will be an opportunity to optimise by using the same vessel for both Mangalore and Cochin terminals in one trip. It will also help the Company enhance its footprint in the southern part of India.

   With the launch of this terminal, all states along the country's west coast are covered by Ambuja Bulk Cement Terminals.

iii) The new Ulwe channel at Panvel, Navi Mumbai was successfully made operational during the year. This will lead to handling of higher cargo and thus result in savings in coastal freight cost.

iv) A mechanised wagon loading system at Farakka was put to use during the year. This helps in reducing loading charges while loading cement from truck to rake as well as reduction in the transportation cost from packing plant to railway siding.

v) With the introduction of the SCOPE (Supply Chain Optimisation Project for Excellence) project, a supply chain excellence initiative, the Company is trying to derive operational efficiencies in logistics. This is targeted by improvisation in direct despatches to customers by undertaking fleet optimisation measures such as installation of Radio Frequency Identification (RFID), Global Positioning System (GPS) on trucks to monitor movement and improving turnaround time etc.

vi) The efforts by the Company for the usage of cost efficient fuel mix are part of the 'GEO 20' project which will be operational in the first half of year 2014. Here, as a result of handling, storing and processing of waste materials, the Company will be able to ensure more usage of Greener Fuels thereby reducing energy cost.

6. EXPANSION PROJECTS AND NEW INVESTMENTS

The Company took up several projects to serve its customers in a more efficient, cost-effective, reliable and environment-friendly manner, while bolstering its market position in the industry.

CAPACITY EXPANSION DURING THE YEAR

The new Bulk Cement Terminal (BCT) at Mangalore commissioned this year will help the Company expand its footprint in the southern markets of India.

EFFICIENCY IMPROVEMENT MEASURES:

Getting better at being the best

The Company focused on consolidation and optimisation of its existing capacities in all the three regions. Capital investments kept flowing in during the year, to ensure the highest standards of safety in order to meet the Company policies of 'Zero Harm', clean and energy efficient infrastructure, cost efficient and environment-friendly material handling systems and process optimisation.

Achievements at a glance

i) A Waste Heat Recovery (WHR) plant at Rabriyawas with an approved investment of ₹75 crores is being installed to bring efficiency in fuel utilisation, optimise power costs and meet our Renewable Power Obligation.

ii) In order to strengthen logistics capability and extend its reach to customers, a new railway siding project has been initiated at the Rabriyawas unit in Rajasthan. The total project cost is ₹250 crores. So far 40% work of the Railway Project is completed and our timelines for completion are within the second quarter of 2016.

iii) An automatic wagon loading system constructed at the Farraka unit in West Bengal built at a cost of approximately ₹32 crores was completed and made operational during the year. This system will reduce cost and improve efficiency of material handling.

Upcoming Capacities and Investments

i) A new brown-field expansion project was announced in 2011 at Sankrail grinding unit in the eastern region comprising a roller press and related logistics. The project is underway, with extended scope to include advanced technical specifications. It is slated to cost ₹325 crore and aimed for completion by 2016. So far, equipment orders have been placed and civil work is in progress. This project would add 0.80 million tonne grinding capacity to the unit, along with other facilities.

ii) Significant cement capacity addition of approximately 4.50 million tonnes with associated clinkerisation capacity of 2.17 million tonnes is coming up at the proposed integrated plant at Marwar Mundwa, Nagaur district in Rajasthan with cement capacity of 1.5 MTPA; and with similar capacity grinding units at Osara (M.P.) and Dadri (U.P.), the total project cost is estimated at ₹3500 crores. Environmental clearances for the project were acquired but kept in abeyance for Marwar Mundwa by the MoEF. Part of the mining land is already in possession and the rest is under an advanced stage of acquisition. The Company is also in the process of tying-up water sources required for construction and operations. Full-fledged construction work is expected to commence in the latter part of 2014.

iii) Last year, the Company had taken up 13 new ambitious projects at different locations worth ₹272 crores to optimise and enhance efficiency. These projects have a quick payback of two and half years to four years. Work is progressing well and most are likely to be completed in the first half of 2014.

iv) A new brown-field expansion project to set up a roller press at a cost of ₹70 crore at the Rabriyawas unit in Rajasthan, will add 0.80 million tonne grinding capacity in the first half of 2014.

The year 2014 will see capital expenditure worth ₹802 crores, over and above the ₹725 crores investment made in 2013. The entire proposed expenditure would be financed by internal accruals.

ACHIEVING SUSTAINABILITY OBJECTIVES WITH ‘GREENER’ ENERGY

Keeping the planet green through cement

Ambuja envisions being the most sustainable Company in the cement industry and draws heavily on Holcim’s sustainability policy on CO2 and energy, eco-efficient products, atmospheric emissions, sustainable construction, etc. The strategic stress on environmentally-friendly and cost-effective resources resulted in the establishment of the Geocycle department to focus on Alternative Fuels and Raw Material (AFR).

An ambitious project, named ‘Geo20’ has been taken up by the Company last year, which involves a capital investment of ₹200 crores. The project that is meant to substitute costlier traditional fossil fuels with Alternative Fuels (AF), is nearing completion and slated to be operational at all of our integrated plants by end of 2014. Holcim is actively supporting our efforts by making available its global experience and technical expertise in the area of clean and green technology and burning all sorts of waste materials without the corresponding release of harmful gases and CO2 in the air. Holcim's rich experience in this area has helped to devise innovative ways of sourcing.

During 2013, the Company increased its use of Greener Fuels in its kilns from 1.4% in 2012 to 3.65% in 2013. The Company is determined to achieve higher thermal energy substitution rates in the coming years.

7. OUTLOOK

REFORMS FOR AN ECONOMIC REVIVAL

The Economic Outlook

Economic growth accelerated to 4.8% in the second fiscal quarter from 4.4% in the first due to higher output in both industry and agriculture and a rebound in exports. However, it is less likely that we will see a complete turnaround in the economy as the domestic demand remains weak and both consumption and investment continue to grow sluggishly. We expect growth to remain soft in the first quarter of year 2014 owing to delayed investment announcements in the run-up to general elections. Further, it is expected to be supported by export recovery and likely sustained growth in capital expenditure after the second quarter of FY2014, once political stability has been re-established.

We expect the Indian economy to grow at 5% during year 2014 and driven by India's strong economic fundamentals - high saving and investment rates, rapid workforce growth, a quickly expanding middle class, and the start of a shift from low-productivity agriculture to high-productivity manufacturing. However, given the country's large external financing needs, domestic expansion will be affected by the global availability of capital.

Economic growth could exceed our forecasts if the Administration's reform efforts are sustained, infrastructural development accelerates and the government enjoys success in its bid to develop a labour-intensive manufacturing sector in India.

The Cement Industry Outlook

In the period 2011 to 2013 cement consumption grew at an average of 4% compared to the golden period of 2008-2010, when consumption grew at a CAGR of 8%. The multiplier of cement demand growth to GDP growth not only declined below one in 2011 to 2013 but also lost its relevance.

Balancing growth with economic reforms

Mid-term outlook appears challenging in the current scenario. However, there are reasons to assume it will be more positive with a potential towards 6-7% growth per annum after 2015 provided the new central government pushes economic reforms.

We expect the capacity utilization rate of the industry to improve gradually from current 73% to ~80% by 2018 given the slowdown in pace of capacity addition and gradual recovery in cement demand.

Cement demand emanates from four key segments - housing which accounts for 67% of cement demand, infrastructure (13%), commercial construction (11%) and industrial construction (9%). Economic reforms announced by the Government and RBI, including the expected lowering of interest rates in 2013, will surely boost sentiment and rejuvenate the economy.

Long-term growth prospects

The cement industry is looking for an up-cycle backed by an increase in rural consumption and recovery in infrastructure activity after a muted growth for the last three years. Recent government measures to fast-track infrastructure projects ahead of general elections that are just around the corner; construction activity is expected to pick up steam leading to strong demand for cement.

Long-term growth prospects for cement demand are favourable, riding on the back of a growing economy and the impetus provided to the housing and infrastructure construction activities in the 12th Five-Year Plan period (2012-17). The total investment in infrastructure sectors in the 12th Five Year Plan is estimated to be Rs 56 lakh crores (one trillion USD).

8. RISKS AND AREAS OF CONCERN

OH&S - OPERATIONAL HEALTH & SAFETY

OH&S is given top priority within the organisation. The Company aims to achieve 'Zero Harm' through the implementation of formal directives, improvement in logistics flow and visible leadership by line management. Plant workers/ contractors and our own management staff have put in every effort to imbibe and ensure safety in their day-to-day activities.

VULNERABLE DEMAND

Demand for cement is closely related to overall economic development and tends to vary across States within the country, depending on the level of industrialisation and infrastructure development. Fall in demand has been a concern for both the industry and the organisation but with strong economic fundamentals, we are hopeful to see a revival of demand in the near to medium term.

RISING COMPETITION

Domestic and global cement majors are strengthening their production bases across India to mitigate the location risk associated with cement operation but at the same time this has also led to a rise in additional capacity. With decrease in exports, there is consistent pressure on the Company to beat competition. The Company counts on its resources and various other marketing and service elements that will help the organization stay afloat and deliver improved performance.

LOGISTICS COST

Logistics is another area of concern for the industry and distribution cost is one of the major costs for the industry. The industry has witnessed a rise in movement of cement through the sea route to optimise distribution cost. Ambuja is continuously working towards strengthening their distribution network along the coast of India, while at the same time concurrently trying to bring down distribution and logistics costs.

ENERGY COST

Energy is one of the major expenses faced by the cement industry and it is constantly working towards reducing its traditional energy consumption through measures such as use of greener fuels, setting up captive power plants and increasing the production of blended cements. Energy Activation across Regional Network (EARN), is an in-house initiative that Ambuja has embarked upon, to build a lean energy culture across the Company.

9. HUMAN RESOURCES

PROGRESSIVE PRACTICES FOR A TRANSFORMING ORGANISATION

The Human Resource function at Ambuja strives to provide the 'People Edge' to business through continuous process improvement and innovation. Our people strategy, systems and processes are aimed at making the Company an employer of choice with sustainable talent by attracting, retaining and developing talent in the organisation and working on concrete actions plans to enhance employee engagement. This is in perfect alignment with the Company's vision of being the most sustainable and competitive company in the industry.

RECRUITING THE BEST TALENT

To keep pace with the competitive, dynamic business environment that we operate in, a structured Campus Recruitment process with a long term perspective was created to help in the induction of Management Trainees and Graduate Engineer Trainees from the best Business and Engineering Schools in India.

KEY RESULT AREAS (KRAS): RAISING THE BAR

The people processes have been designed to completely involve managers and employees to raise levels of performance through ownership and responsibility. Competency and Key Result Area (KRA) based Performance Management System (PMS) constitute our persistent effort to build an achievement-oriented culture. Periodic discussions through dialogues on work performance against the set KRAs help focus not only on individual performance, but also on work processes, resources and other issues that may have had a bearing on performance. Continuous efforts are made to enhance manpower productivity by creating and manning an optimised organisation structure and ensuring the right fit and skills in benchmarking the best in the industry.

It is our endeavour to consistently facilitate the learning of employees to enable a continuous business transformation, and hence employee development is focused at different stages of the employee life-cycle from recruitment to retention. Through this process of continued learning, the Company intends to boost strategic behaviour and capabilities so as to sustainably achieve the Company's objectives and outcomes. Our training and development initiatives are directed at enriching leadership, behavioural, functional and technical skills as well as bringing about a change in the attitude, knowledge and skill of employees. Through various leadership and management development programmes conducted in association with premier business schools based in India and abroad, we continue to focus on creating leaders across levels and in the early stages of an employee's career. A separate organisational intervention was launched last year to develop a sustainable pool of leaders, equip them with essential leadership skills and competencies in creating a coaching culture.

CREATING FUTURE LEADERS

Structured talent reviews across levels supported by individualised development plans and cross-functional and cross-location assignments have helped develop wholesome leadership skills. All development efforts show good results with more and more senior positions being filled internally, while maintaining a healthy external talent intake. Thus, succession planning has helped to create a talent pipeline for key positions and a strong growth avenue for our developing leaders. Renewed focus is also being given to the career path and movement as a critical component of talent development.

Employee engagement surveys conducted in the recent past to gauge the pulse of the organisation, recorded 98% participation. Feedback from the survey has translated to action planning and implementation and now been institutionalised within the Company.

Ambuja's people processes has been appreciated and recognised. The Company bagged the CII National HR Award 2013 for "Strong Commitment for HR Excellence".

10. SUSTAINABILITY AND ENVIRONMENT

SUSTAINABILITY – A WAY OF LIFE

We continued to progress on our path towards Sustainable Development in line with our vision to be the most sustainable and competitive Company in our industry.

Our Sustainability framework comprising Sustainability Steering Committees continued to assess Sustainability risks and opportunities both at the unit and corporate levels and monitor the various sustainability initiatives. Enhancing the focus on embedding sustainability at the highest level, it has been made a regular item in our Board Meeting Agendas. In requirement of the newly introduced Clause 55 of SEBI, we have released our first Business Responsibility Report (BRR) as a part of the Annual Report for 2012. The Company continues to take on initiatives aimed at low carbon emissions, water positive, use of alternative fuel, renewable energy, bio-mass, plastic reuse, etc.

We released our 6th Corporate Sustainable Development Report covering our Sustainability endeavours for the year 2012. The report is aligned with Global Reporting Initiative (GRI) G3 guidelines for A+ Level of reporting, having been "Assured" by an independent certifying agency. We have responded to the Metal & Mining Sector Supplement of the GRI while reporting on our Sustainability performance to our stakeholders. Like last year, this year's report too has been accorded the GRI check for A+ level by Global Reporting Initiative, Netherlands.

We continue to focus on developing our renewable energy portfolio in line with Renewable & Clean Energy Roadmap till 2020. In 2012, 330 KV of solar energy has been installed at Bhatapara, in addition to the existing 7.5 MW of wind energy commissioned at Kutch, Gujarat, the year before last. A 6.5 MW Waste Heat Recovery-based power generation system is being installed and is slated to be operational by 2014.

STEPPING LIGHTLY ON OUR CARBON FOOTPRINT

The Company is currently monitoring and reporting CO2 emissions as per the World Business Council for Sustainable Development's (WBCSD) Cement Sustainability Initiative (CSI) protocol. We have been able to reduce our Green House Gas emissions by over 26% taking 1990 as the reference year. To reduce the carbon footprint and avoid the use of natural resources, we continue to produce fly ash-based cement as our major product. The Company is one of the co-chairs of CSI India and has been part of the Working Group that released the Low Carbon Technology Road Map for Indian Cement Industry.

A LEGACY OF SUSTAINABILITY HONOURS

For the third year in a row, we bagged the CII Sustainability Award in recognition of our endeavours in streamlining Corporate Sustainability within our operations. In 2013, we were recognised in the category of commendation for 'significant achievement' similar to the previous year. Further, we achieved Gold Level in the Sustainability Plus rating conducted by the CII in 2012 where 100 largest companies (by market cap and market share) were rated along ESG indicators by CII for the Sustainability Plus rating.

PROACTIVE ENVIRONMENT MANAGEMENT

The Company ensured availability of Continuous Emission Monitoring Systems (CEMS) at all the nine kiln stacks above 95% round the year for online monitoring of all vital pollution parameters. Apart from this, trainings were also conducted on emission monitoring, biodiversity and water management to build capacities for environmentally responsible operations,

Three of our grinding units have attained certifications to the Energy Management System as per ISO 50001:2011. The Rabriyawas plant has become the first integrated unit in Ambuja to implement the international standard. This was also our first pilot conducted at a plant to estimate Scope 3 emissions (limited) emanating from our operations.

The Company has taken steps to ensure it meets its commitments under the PAT scheme and RPO-REC obligations. Further, we are anticipating emission standards to be notified for SO2 & NOx emissions. We are taking all steps to monitor and control our emissions so that we can meet the requirements of the new standards as and when they are notified.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

BEING A GOOD NEIGHBOUR

Ambuja Cement Foundation celebrated two decades of work with the host communities where it has been involved in development with a spending of well over 2% of Profit before Tax (PBT). The programmes at the Foundation successfully address community needs in a sustainable manner.

CONSERVING THE EARTH'S MOST PRECIOUS RESOURCE

Water resource management has changed the landscape of Kodinar (Gujarat) which is marked by saline water and the water scarce region of Rajasthan. Innovative projects involving the revival of traditional water conservation - roof rain water harvesting, building check dams and customised irrigation methods - has ensured water availability for domestic and agricultural use, winning the FICCI "Water Award" under 'Community Initiative, Industry' category. External auditors also declared Ambuja as water positive and it is now hoped that each one of our Ambuja sites would raise their bar on water sustainability.

SOWING THE SEEDS OF DEVELOPMENT

Krishi Vigyan Kendra (KVK) at Ambujanagar (managed by the Foundation) is much sought after by farming communities for the latest and best technologies in agriculture. KVK also conducts regular meetings, training programmes and other extension programmes to disseminate information. Ambujanagar has also introduced weather insurance protecting the farmers from unforeseen weather conditions.

Better Cotton Initiative (BCI) is being implemented in five states to grow cotton in a sustainable manner and through eco- friendly methodologies. Through this initiative, farmers are able to sell their produce at a better rate without any middlemen. In 2013, the Foundation was conferred with the "Best NGO Award" by the Northern India Cotton Association Ltd. Livelihoods like animal husbandry are encouraged. In Darlaghat, women are trained as pashu swasthya sevikas (PSS) and learn the latest techniques in animal care. The work of the PSS is complemented by cattle camps and immunisations programmes conducted regularly.

MEETING THE CHALLENGES OF EMPLOYMENT

The Skill and Entrepreneurship Development Institutes (SEDI) at the Foundation tries to bridge the gap between drop-out or undertrained youth and high demand by industry of skilled personnel. SEDI provides relevant skill training to youth through the courses held at 16 centres established across India; and have to date transformed the lives of over 11,000 youth through wage employment encouraging them to become entrepreneurs. These 45 courses are designed specific to the requirement of that region and also incorporates sessions on soft skill development. Today, SEDI courses are affiliated to the National Council of Vocational Training and Modular Employment Scheme of Central Government.

CHAMPIONING HEALTH

To ensure round-the-clock health services in the far flung rural areas, sakhis (village health functionaries) are provided home-based neo natal care for the numerous mothers and children across locations. Their services are complemented by regular health checks by doctors and health camps. Ambuja Cements also works extensively towards the prevention of HIV & AIDS in and around its plants and locations and works towards reducing stigma on those affected by it. Programmes are held with truckers and workers raising awareness; counselling sessions are also organised in some locations; 10 Targeted Intervention projects are implemented in collaboration with the state AIDS Control Societies and four health care centres established in partnership with Apollo Tyres Foundation.

EDUCATION

Nurturing The Nation's Talent

The Company has been promoting education through the non-profit Ambuja Vidya Niketan Trust (AVNT), to provide educational facilities through its schools in each of its five integrated plants. The schools provide education to the wards and dependants of Ambuja employees as well as children of nearby villages.

In addition, educational intervention is done by the Foundation through Balmitras (members from the community and trained by the Foundation) who are appointed to help children enjoy studies and understand subjects like math, science and English using varied teaching and learning methods. Training is also provided to school teachers for better teaching methodologies. Innovations like using sport for life skills and e-learning methodologies have been used in schools to make curriculum interesting for children. In locations where children are either drop-outs or not going to school at all, the Foundation has introduced non-formal education centres to aid students to enter the mainstream education system.

The Foundation also runs the **Ambuja Manovikas Kendra (AMK)**, a special school for mentally challenged children in Ropar, Punjab. With 100 children on its rolls, the school works to improve the quality of life of children with mental disabilities. A range of activities and programmes at AMK help them grow as independent and productive individuals. The children at AMK once again did us proud by winning the "Overall Championship Trophy" in Punjab State Special Olympics 2013, for the eighth time in a row. The institution was also adjudged the "Best Institution in Sports". In the past one year, the school has extended its services to children who cannot travel to school through its Home Base Rehabilitation Programme.

Stakeholders In Creating A Difference

The Foundation ensures **Stakeholder Engagement** where all programmes are decided after a detailed deliberation. Well-defined processes ensure that all stakeholders are involved to identify key concerns by the community and Community Engagement Plans are implemented the subsequent year. Meanwhile, the Community Advisory Panel established in locations comprise of Company and community leaders. It is a platform to discuss issues faced by the community and achieve a consensus to implement programmes for them.

All programmes are rigorously monitored through the Social Engagement Scorecard which through detailed group discussions and interviews with community representatives maintains a score on activities and programmes of the Foundation. In 2013, all locations scored between 75% to 100%, reflecting positive reviews.

Active **Volunteer Engagement** programmes has ensured employees become a part of the development journey of the communities along with the Foundation by actively engaging in volunteering – participating in activities like cleaning beaches, painting anganwadis, planting saplings, participating in community projects on health, safety, HIV & AIDS, skill training, school activities etc. So far, 2,000 Ambuja's volunteers have clocked in over 26,000 hours through their participation in activities.

12. OCCUPATIONAL HEALTH AND SAFETY (OH&S)

WORKING TOWARDS 'ZERO HARM' FOR OUR PEOPLE

Our OH&S journey of 2013 was mixed – achievements and incidents that highlighted both our strengths and areas of improvement. Going forward, there is a need to capitalise on our strong points and work on development areas to ensure utmost efficiency to prevent future incidents.

Safety is one of our core values and part of the Company's vision statement. We are committed to strive for 'Zero Harm' and firmly believe safety as one of the most important primary criteria for us to achieve the goal of being the 'Most Sustainable and Competitive' Company.

LEARNING FROM THE PAST

As part of a structured approach and setting up the OH&S objectives, the Company has reviewed its past performance. Situations have been assessed and learning incorporated - we believe all incidents are preventable especially if we can alter our mindset and behaviour.

Some key focus action areas include an increase in the visible leadership in OH&S by the Front Line Management. To achieve this objective, we have kick-started a new initiative 'We Care' – a holistic approach to safety that encompasses all connected with Ambuja – across different levels of management, within and outside locations including third party contractors. As part of this initiative, two concepts – Model Safety Zone and Safety Ambassador – have been launched that will help engage and connect with all people onsite and establish common objectives between OH&S and line teams.

Meanwhile, all operational sites have taken one OH&S wave based on the targeted Fatality Prevention Element (FPE). These include working at height, isolation and lockout, vehicle and traffic safety, machine guarding, lifting and supporting loads and hot work.

A formal OH&S management system, aligned with the Holcim OH&S Pyramid System and other directives, has been established over the past few years across the organisation. FPEs are implemented across all sites and quality of implementation assessed through an external certifying agency. Peer Reviews are scheduled and conducted within Ambuja and also with ACC.

Each plant has taken steps to ensure no recurrence of fatal incidents and appropriates steps taken at sites. To reduce Risk Exposure, several actions were initiated through increasing interface between departments, developing a road map to implement Contractor Safety Management (CSM) activity, initiating process for integration of OH&S requirements during the planning and execution of a shutdown, conducting Risk Assessments during shutdown; Safety audits and analysis to ensure safety while handling coal; and a structural integrity survey by the Company's technical arm, Techport. Meanwhile, Risk-specific and Competency-based trainings are conducted as per requirements of targeted FPEs and other OH&S directives.

In addition, the Company is making continuous efforts to reduce OH&S risks through the integration of OH&S requirements with other business processes.

13. PURCHASE OF SHARES IN HOLCIM INDIA PVT. LTD. (HIPL) AND AMALGAMATION OF HIPL WITH THE COMPANY

A SYNERGY THAT WILL PROMOTE GREATER DEVELOPMENT

The Company's promoter, Holcim has proposed a restructuring exercise with a view to simplify its investment structure as well as unlock synergies in the operations of two of its subsidiaries in India – Ambuja and ACC. Under this exercise, the Company will acquire 24% equity shares of Holcim India Pvt. Ltd. (HIPL) from Holderind Investments Limited (Holderind) for a consideration of approximately ₹3,500 crores and HIPL will then amalgamate with the Company. Upon completion of the amalgamation, the Company will hold 50.01% equity shares in ACC and consequently, ACC and all its subsidiaries will become the subsidiary of Ambuja. Holderind will hold 61.39% equity shares in Ambuja.

Over the last few years, both Companies have been working on a common platform for technical support, major procurement and IT functions. However, there are many areas where synergies are yet to be unlocked. This amalgamation will help realise these synergies. This process along with the alignment of critical back-end functions will help both Companies improve their competitive position in the current challenging market.

The proposal was extensively debated and deliberated by the Independent Directors. On being satisfied that the proposal of restructuring is in the interest of the Company and its stakeholders, they recommended the same to the Board. The Board of Directors has taken an independent view over the restructuring proposal and the scheme of amalgamation and has reached the conclusion that these are in the overall interests of all stakeholders.

The Scheme of Amalgamation was to be approved by the Stock Exchanges as well as SEBI. In terms of their approval, the Company has sought the approval of Public Shareholders (i.e. excluding Promoter and Promoter Group Shareholders) through Postal Ballot for two separate resolutions i.e. approval for the acquisition of 24% shares of HIPL and approval of the Scheme of Amalgamation.

The Directors are pleased to inform that both resolutions were passed with requisite majority of Public Shareholders.

Subsequently, the Scheme of Amalgamation has also been approved by the requisite majority of Shareholders as required under Section 391(2) of the Companies Act, 1956, at the Court Convened Meeting of the Equity Shareholders held on 23rd November, 2013.

Both Ambuja and HIPL have filed the Scheme of Amalgamation with the Hon'ble High Courts at Gujarat and Delhi respectively for their final approval. These petitions have yet to be heard by the Hon'ble Courts.

14. EMPLOYEE STOCK OPTION SCHEME

During the year, the Company has not granted any fresh stock option to its employees.

CUMULATIVE DISCLOSURE

The particulars as on 31st December 2013 as required to be disclosed pursuant to Clause 12 of SEBI (Employees Stock Option Scheme) Guidelines 1999, in respect of past ESOS are as follows:

CUMULATIVE POSITION AS ON 31ST DECEMBER, 2013:

Nature of disclosure	Particulars	
a. Options granted	37776800	
b. The pricing formula	2007 to 2010 The exercise price was determined by averaging the daily closing price of the Company's equity shares during 7 (seven) days on the National Stock Exchange immediately preceding the grant.	
	2004-05 & 2005-06 The exercise price was determined by averaging the daily closing price of the Company's equity shares during 15 (fifteen) days on the National Stock Exchange immediately preceding the grant.	
	2003-2004 The exercise price was determined by averaging two weeks' High and Low price of the Company's equity shares on the National Stock Exchange immediately preceding the grant.	
	1999-2000 to 2002-2003 The exercise price was the average of the daily closing price of equity shares of the Company on the Stock Exchange, Mumbai during the period of 30(thirty) days immediately preceding the date on which the options were granted.	
c. Options vested	32738375	
d. Options exercised	26356750	
e. The total number of shares arising as a result of exercise of options	Total number of shares arising as a result of exercise of options shall be 55532532 shares of ₹2 each	
f. Options lapsed / surrendered	5038425	
g. Variation of terms of option	–	
h. Money realised by exercise of options	₹340.71 crores	
i. Total number of options in force	6381625	
j. Details of options granted/exercised by the Managing Director and Whole-time Directors	No. of options granted	No. of options exercised (Post Bonus adjustments)
Mr. Ajay Kapur, Dy MD & CEO	1,62,500	1,88,750
Any other employee who received a grant in any one year of 5% or more of options granted during that year	NIL	NIL
k. Employees who were granted options during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant	NIL	
l. Diluted earning per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard AS-20	₹8.37	

	2003-04	2004-05	2005-06	2007	2008	2009	2010
m. Weighted average exercise price of options in ₹	310*	443*	69.60**	113**	82**	96**	119**
Weighted average fair value of options in ₹	67.44*	96.73*	19.23**	29.28**	16.95**	26.38**	39.37**

* Options related to Equity Shares of the face value of ₹10/-.** Options related to equity shares of the face value of ₹2/-.
As required under SEBI guidelines on ESOS, the information disclosed in respect of item (m) is for grants made after June 30, 2003.

15. NEW COMPANIES ACT, 2013

The historic Companies Act, 2013 which replaces more than five decades old Companies Act, 1956 was passed by the Parliament. Subsequent to receiving the President's Assent, the Ministry of Corporate Affairs notified 98 sections and also put up various Rules under the new Act for the public comment. The objective behind the 2013 Act is lesser Government approvals and enhanced self-regulations coupled with emphasis on corporate democracy. The 2013 Act delinks the procedural aspects from the substantive law and provides greater flexibility in Rules making to enable adaptation to the changing economic environment. This will lead to improved compliance and accountability from the corporate sector and will provide further transparency in the disclosure.

16. CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements as stipulated under the listing agreement with the stock exchanges. A separate section on corporate governance, along with a certificate from the auditors confirming the compliance, is annexed and forms part of the Annual Report.

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES:

The majority of the Corporate Governance Voluntary Guidelines, 2009, stand complied while complying with the requirements under the Companies Act, 1956, the Listing Agreement, and the Company's own governance policies.

17. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st December, 2013 as stipulated under clause 55 of the Listing Agreement is annexed and forms part of the Annual Report.

18. INTERNAL CONTROL SYSTEM

The Company has documented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources.

The formalised systems of control facilitate effective compliance as per Clause 49 of the Listing Agreement, and article 728 (a) of the Swiss Code of Obligations applicable to the Holcim Group.

The Company's Internal Audit department tests, objectively and independently, the design and operating effectiveness of the internal control systems to provide a credible assurance about their adequacy and effectiveness to the Board and the Audit Committee. The Internal Audit function assesses the effectiveness of controls to provide an objective and independent opinion on the overall governance processes within the Company, including the application of a systematic risk management framework.

The scope and authority of the Internal Audit activity are well defined in the Internal Audit Charter, approved by the Audit Committee. Internal Audit plays a key role by providing an assurance to the Board of Directors and value adding consultancy service to business operations.

19. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES

Protecting our strongest product: Ambuja Integrity

Fraud and corruption-free work culture has been the part of the Company's DNA all along. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the Company has put even greater emphasis to address this risk. To meet this objective a comprehensive Fraud Risk Management Policy (FRMP) almost akin to whistle-blower policy has been laid down. More details on FRMP have been given in the Corporate Governance Report.

Corruption: The one area we aim for zero

In furtherance to the Company's philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down the Anti-Bribery and Corruption Directives (ABCD) as part of the Company's Code of Business Conduct and Ethics. As a Company, we take a zero-tolerance approach to bribery and corruption and we are committed to acting professionally and fairly in all our business dealings.

To spread awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption, training and awareness workshops were conducted through an independent consulting firm wherein more than 1,700 employees participated and got trained. Apart from this face-to-face training, over 3,500 employees were also given online ABCD training through a web-based application tool during 2013.

In order to further spread awareness about ABCD, face-to-face training workshops will also be conducted during the current year for select vendors, based on their risk profile and business relationship with the Company.

These above policies and its implementation are closely monitored by the Audit and Compliance Committees of Directors and reviewed by the Board at regular intervals.

20. DIRECTORS

CESSATION

Some people are irreplaceable

Mr Paul Hugentobler, representative of Holcim (the Company's Promoter), has conveyed his decision to step down from the Board and will cease to be a Director w.e.f. 7th February, 2014.

Mr Hugentobler joined the Board in May 2006 as Holcim's Nominee when Holcim took over the management control of the Company. Over the last eight years, he played a key role in providing valuable guidance and expert advice on all facets of the cement business.

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

RETIREMENT BY ROTATION

In accordance with the provisions of Article 147 of the Articles of Association of the company, (i) Mr Nasser Munjee (ii) Mr Rajendra Chitale and (iii) Dr Omkar Goswami will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

APPOINTMENT

A company that offers growth even at the top

Mr Ajay Kapur and Mr Bernard Terver have been appointed as Additional Directors under Section 260 of the Companies Act, 1956 to hold office up to the date of the ensuing Annual General Meeting and being eligible, have offered themselves for appointment. Additionally, Mr Ajay Kapur has also been appointed as the Dy. Managing Director & CEO of the Company for a period of three years w.e.f. 1st August, 2013.

(i) Mr. Ajay Kapur

Mr Kapur, aged 48 years, is an Economics Graduate from St. Xavier's College, and completed his MBA from Somaiya Institute of Management Studies and Research (SIMSR) – both from the University of Mumbai. He has also completed the Wharton Advanced Management Program from the University of Pennsylvania, USA. He joined the Company in 1993 from Citibank, and for the first eight years was the Executive Assistant to the then Managing Director, Mr N.S. Sekhsaria. Among several areas, his main focus that time was on Marketing Strategies, Brand and Promotion, Logistics Management and Commercial issues. In 2007, he was made all India Head – Marketing and Commercial Services at Corporate Office and was also inducted as Executive Committee member. In the year 2009, he was made Business Head of West & South region. Mr Kapur was elevated to the post of CEO in May, 2012. The Board of Directors have appointed Mr Kapur as an Additional Director w.e.f. 25th July, 2013 and also as Dy. Managing Director & CEO w.e.f. 1st August, 2013.

(ii) Mr Bernard Terver
Mr Terver, aged 62 years, is a French national. He concluded his studies at the Ecole Polytechnique in Paris in 1976. After beginning his career in the steel industry, in 1977 he moved to cement producer CEDEST, which was taken over by Holcim France in 1994. In 1999, Bernard Terver became CEO of Holcim Colombia and in 2003 he was appointed Area Manager for the Andes nations, Central America and the Caribbean. Since October 2008, he has been CEO of Holcim US and effective November 2010 CEO of Aggregate Industries US. Mr Terver was appointed Area Manager and member of senior management of Holcim Ltd, with effect April 1, 2010. From September 2012, he was appointed as member of the Executive Committee and effective January, 2013 has been bestowed the responsibility for the Africa, Middle East and the Indian Subcontinent (comprising India, Sri Lanka and Bangladesh) region of Holcim.

The Board of Directors recommends their appointment. Further details about these Directors are given in the Corporate Governance Report as well as in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

21. DIRECTORS' RESPONSIBILITY

Pursuant to Section 217 (2AA) of the Companies Act, 1956 as amended, the Directors confirm that:

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

ii) Appropriate accounting policies have been selected and applied consistently. Judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st December, 2013, and of the statement of profit and loss and cash flow of the company for the period ended 31st December, 2013.

iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The financial statements have been prepared on a going concern basis.

22. AUDITORS

STATUTORY AUDITORS

M/s. S. R. Batliboi & Co. LLP, the Statutory Auditors of the Company, will retire at the ensuring Annual General Meeting and are eligible for re-appointment. M/s. S. R. Batliboi & Co., LLP have expressed their unwillingness to get re-appointed as the Statutory Auditors of the company.

The Board, based on the recommendation of the Audit Committee, recommends the appointment of M/s. SRBC & Co. LLP as the Statutory Auditors of the company, for whom the company has received a notice u/s. 225 read with Section 190 of the Companies Act, 1956, from a shareholder seeking their appointment in place of M/s. S. R. Batliboi & Co. LLP. M/s. SRBC & Co. LLP have confirmed that their appointment, if made, shall be within the limits of Section 224(1B) of the Companies Act, 1956.

The Auditors have informed that M/s S.R. Batliboi & Co. LLP and M/s. SRBC & Co. LLP are part of the same group.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to section 233B(2) of the Companies Act 1956, the Board of Directors on the recommendation of the Audit Committee appointed M/s. P.M. Nanabhoy & Co. Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2014. M/s. P.M. Nanabhoy & Co. have confirmed that their appointment is within the limits of the Section 224 (1B) of the Companies Act, 1956 and have also certified that they are free from any disqualifications specified under Section 233B(5) read with Section 224 sub-section (3) or sub-section (4) of Section 226 of the Companies Act 1956.

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 Cost Audit (Report) Rules 2001, the Cost Audit Report for the financial year 2012 was filed on 6th May, 2013 vide SRN No.S21001375 on the Ministry of Corporate Affairs website.

23. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has transferred a sum of ₹123.36 lacs during the financial year 2013 to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 205C of the Companies Act, 1956. The said amount represents unclaimed dividends which were lying with the Company for a period of seven years from their respective due dates of payment. Prior to transferring the aforesaid sum, the Company has sent reminders to the shareholders for submitting their claims for unclaimed dividend.

24. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, is required to be given pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto marked Annexure – I, and forms part of this report.

25. PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, in respect of the employees of the Company, is provided in the Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid Annexure. The Annexure 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.

26. SUBSIDIARY COMPANIES

Ministry of Corporate Affairs, Government of India, vide its circular dated 8th February, 2011 has exempted companies from attaching the Annual Reports and other particulars of its subsidiary companies along with the Annual Report of the Company required u/s 212 of the Companies Act 1956. Therefore, the Annual Reports of the subsidiary companies viz. (1) Chemical Limes Mundwa Pvt. Ltd. (2) M.G.T. Cements Pvt. Ltd. (3) Kakinada Cements Ltd. (4) Dang Cement Industries Pvt. Ltd. (5) Dirk India Pvt. Ltd. and (6) Dirk Pozzocrete (MP) Pvt. Ltd. are not attached with this Annual Report. However, a statement giving certain information as required vide aforesaid circular dated 8th February 2011 is included in Consolidated Financial Statements.

The financial statements of the subsidiary Companies are kept for inspection by the shareholders at the Corporate (Head) Office of the

Company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary companies to the shareholders upon their request.

27. CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the listing agreement with the stock exchanges, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

The consolidated net profit of the Company and its subsidiaries amounted to ₹1278.57 crores for the corporate financial year ended on 31st December, 2013 as compared to ₹1294.57 crores on a standalone basis.

28. EQUAL OPPORTUNITY EMPLOYER

The Company has always provided a congenial atmosphere for work to all sections of the society. It has provided equal opportunities of employment to all without regard to their caste, religion, colour, marital status and sex.

29. AWARDS AND ACCOLADES

Recognition for constant innovation

(a) Ambuja won the prestigious CII ITC Sustainability Award for the third year in a row. It won the award for 'Significant Achievement on journey towards Sustainable Development' under Large Industry category.

At the same award ceremony, Ambuja's two integrated units – MCW and Bhatapara – also won the CII ITC Sustainability Awards in Individual Plant category for 'Strong Commitment for proving commitments; adopting appropriate policy and processes'.

(b) Ambuja Cement won 'The Asia's Most Promising Brand' at the Asian Brand & Leadership Summit – Dubai 2013, held in August, 2013. The award was received by Ambuja's Dy. MD & CEO Mr Ajay Kapur, who was voted as 'Asia's Most Promising Leader'.

(c) Ambuja Cement Foundation bagged the first prize in the 'Community Initiatives by Industry' category at the FICCI Water Awards 2013 by Deputy Chairman, Planning Commission Montek Singh Ahluwalia at the Federation House, New Delhi in August 2013.

(d) The Foundation also bagged two more National Awards for Excellence in Water Management – 'Excellent Water Management Initiatives' for work done at Marwar Mundwa, Rajasthan and Excellence in Water Management 2012 for Rabriyawas Unit under "Within the Fence" category.

(e) Maratha Cement Works was awarded the IPE-Asia Pacific HRM Congress Awards 2013 under category 'Organization with Innovative HR Practices', for its innovative and good HR practices.

(f) The 4th National HR Excellence Award Confluence 2013' by the Confederation of Indian Industries (CII) held in New Delhi on 24th September where Ambuja Cements Limited bagged the recognition award for exhibiting 'Strong Commitment to HR Excellence'.

(g) MCW unit bagged the Safety Award in the Gold category in Cement Sector at the 12th Annual Greentech Safety Award 2013.

(h) Ambuja Cements Ltd won the ET NOW Talent and HR Leadership Award 2013 for Best Talent Management and the Global HR Excellence Awards 2013 for Organization with Innovative HR Practices by World HRD Congress.

(i) Ambujanagar unit won the 12th Greentech Silver Award in Cement sector category.

(j) RKBA Limestone Mine at Ambujanagar was awarded the prestigious RIO TINTO Health & Safety Award for 2012-2013. The award was presented by the Union Minister of Mines, Dinsha J. Patel.

30. CAUTIONARY 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. Important 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 which are material to the business operations of the Company.

31. ACKNOWLEDGEMENTS

The true wealth of Ambuja: Our people and partners

Your 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.

We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Ambuja family. To them goes the credit for the Company's achievements. And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the board of
Ambuja Cements Limited

N. S. Sekhsaria
Chairman

Mumbai
6th February, 2014

Annexure - I

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES, 1988

A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken:

(1) Optimisation of Process & Equipments at Various Locations:

i. Installation of Godrej made Intelligent Flow Controller along with Metacentre for optimization of Compressed Air System (Maratha)

ii. Kiln inlet enlargement with inlet seal replacement & riser modification (Suli)

iii. Tipping of Raw Mill Fan and mill inlet duct modification (Rauri)

iv. Modification of various stages cyclones of Preheater (Bhatapara, Suli)

v. Optimisation of cement mill (Farakka)

vi. Elimination of ideal running of equipments (Dadri, Maratha)

vii. Installed Auto start/Stop of Capacitor Bank for HT side to improve power Factor (Dadri)

(2) Installation of Speed Control Devices:

i. Installation of speed control devices like VVF drives in fans of various equipments. (Rabriyawas, Bhatapara Line I and II, Suli, Rauri, Rabriyawas, Maratha)

(3) Energy Conservation Measures for Plant & Township lighting:

i. Energy & Compressed air audit by External agency (Farakka)

ii. Installation of Expert Optimiser for Gaj-1 (Ambujanagar)

iii. Installation of SPRS (Slip Power Recovery System). (Suli, Rabriyawas, Dadri)

iv. Mid Air Tap from Cooler to Raw Mill for heat recovery (Ambuja Unit)

v. Installation of Light Emitting Diode (LED) (Sankrail, Rauri, Rabriyawas, Dadri)

vi. Installation of lightning transformer (Dadri) and Lighting provided with timer (Rauri)

(4) Installation Of Energy Efficient Equipments:

i. Power Transmission Line to Bulk Cement Terminal-Muldwarka from Plant (Ambujanagar)

ii. Installation of high efficiency fans (Suli, Rauri)

iii. Installation of efficient air blowers for Pre Calciner firing (Maratha)

iv. Conversion of Reverse Air Bag House to Pulse Jet Bag Filter (Suli)

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

(1) Optimization of Process & Equipments at various locations:

i. Modification of raw mill inlet duct to reduce pressure drop (Rauri)

ii. Modification of Preheater-1 Calciner (Bhatapara I)

iii. Up-gradation of Raw Mill Fan (Bhatapara I)

iv. Installation of fuzzy/ high level control system for Pyro-processing section (Bhatapara I)

v. Up- gradation of Clinker Cooler (Bhatapara Line II)

vi. Optimisation of compressed air usage (Farakka)

vii. Replacement of Reciprocating Water Cooled compressors with Air Cooled Screw Compressors (Rabriyawas)

viii. Roller Press Installation to increase output and reduce energy consumption (Rabriyawas)

ix. Solid Waste Pre-processing and feeding system (Ambujanagar, Maratha, Rabriyawas, Bhatapara, Rauri)

x. Coal mill Up-gradation with Dynamic Separator at Gaj- II (Ambujanagar)

xi. Installation of Separate Fly Ash Grinding and Blending System (Ambujanagar)

(2) Installation of Speed Control Devices:

i. Installation of VVF Drives in various equipments (Ambujanagar, Bhatapara I, Farakka, Rabriyawas, Roorkee)

(3) Energy Conservation Measures for Plant & Township lighting:

i. Installation of Light Emitting Diode (LED) and optimisation of lightning voltage. (Sankrail, Farakka, Dadri)

(4) Installation of Energy Efficient Equipments:

i. Installation of Medium Momentum Burner for Ambuja and Gaj-1 (Ambujanagar)

ii. Installation of LV Capacitor for Power Factor Improvement (Rabriyawas)

iii. Installation of high efficiency cooler fans. (Ambujanagar, Suli)

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Measures referred to in (a) will result in saving of ₹ 18.3 Crores per annum. Measures referred to in (b) is expected to result in saving of ₹ 88 Crores per annum.

(d) Total energy consumption and energy consumption per unit of production:

Information given in the prescribed Form-A annexed.

B) TECHNOLOGY ABSORPTION

Efforts made in technology absorption are given in prescribed Form-B annexed.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products & services; and export plans:

In order to take advantage of the increased realisation (due to depreciation of rupee) & relatively low domestic demand Company has increased its exports to 2.01 lac tonnes of cement (including clinker) as against 1.59 lac tonnes in the previous year. In terms of value, the exports during this year amounted to ₹ 59.98 Crores (FOB) as against ₹ 53.02 Crores (FOB) in the previous year.

(b) Total foreign exchange used and earned:

Category	**Current Year (₹ in Crores)**	Previous Year (₹ in Crores)
Used	**824.27**	881.32
Earned	**59.50**	53.34

FORM - A

(See Rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy

		Current Year 2013	Previous Year 2012
A. POWER & FUEL CONSUMPTION			
1 Electricity *			
(a) Purchased			
Units (KWH) Crores		**57.01**	65.82
Total amount (₹ in Crores)		**356.87**	341.91
Rate / Unit (₹)		**6.26**	5.19
(b) Own Generation			
(i) Through Diesel Generator			
Net Units (KWH) Crores		**1.28**	3.31
Net Units / Ltr of LDO / Furnace Oil		**3.84**	3.77
LDO / Furnace Oil Cost / Unit Generated (₹)		**12.04**	10.29
(ii) Through Steam Generator			
Net Units (KWH) Crores #		**113.31**	115.57
Net Units / T of Fuel		**892**	796
Oil / Gas Cost / Unit		**3.36**	3.84
(iii) Through Wind Mill / Solar Power			
Net Units (KWH) Crores		**0.99**	1.21
Net Units / T of Fuel		**NIL**	NIL
Oil / Gas Cost / Unit		**NIL**	NIL
2 Coal & Other Fuels			
Quantity (Million K. Cal)		**10481668**	11643842
Total Cost (₹ in Crores)		**1132**	1354
Average Rate (₹ / Million K. Cal)		**1080.36**	1162.99
3 Light Diesel Oil / HSD			
Quantity (K. Litres)		**2281.12**	2577.05
Total Cost (₹ in Crores)		**12.97**	11.01
Average Rate (₹ / K. Litre)		**56848**	42742
4 Others / Internal Generation			
Quantity		**NIL**	NIL
Total Cost		**NIL**	NIL
Rate / Unit		**NIL**	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION	**Industry Norms**		
Electricity (KWH / T of Cement) **	100	**80.5**	80.9
LDO (Ltr / T of Clinker)	N.A.	**0.16**	0.15
Coal & Other Fuels (K.Cal / Kg of Clinker)	800	**735**	736

* Total power consumed includes 0.21 Crore kwh consumed for Capital Work in progress for project work (previous year 0.10 Crore kwh).

** Excludes unit consumed in residential colony 0.59 kwh /tonne of cement (previous year 0.58 kwh/Tonne of cement).

Includes 0.67 Crore units of power sold (previous year 1.39 Crores units).

FORM - B

(See Rule 2)

Form for disclosure of particulars with respect to Technology Absorption

A. RESEARCH AND DEVELOPMENT (R&D)

1) Specific areas in which R & D carried out by the Company:

a. Clinker reactivity improvement by using fluorine based mineraliser (Ambujanagar)

b. Use of soda ash in fuel firing to neutralize SO3 impact (Darlaghat)

c. Separation Alternative Fuel particle from Blast Furnace flue dust (Bhatapara)

d. Use of phospo gypsum as an additive for raw mix optimization (Bhatapara)

2) Benefits derived as a result of above R & D:

a. Optimise raw mix and hence improve cement quality and also life of mines.

b. Protect environment by reducing waste.

c. Improve Thermal Substitute Rate by replacing Traditional fuels in kiln

3) Future plan of action:

a. Optimise Raw Mix to improve cement quality and improve the mines life (Bhatapara, Maratha)

b. Water heating system from Kiln shell radiations to utilise waste heat (Darlaghat)

c. Plant Trial for cement grinding with performance enhancer (Bhatapara, Sankrail)

d. Coal catalyst trial to be taken in CPP and Kiln to reduce fuel cost (Maratha)

4) Expenditure on R&D

	Current Year 31.12.2013 (₹ Crores)	Previous Year 31.12.2012 (₹ Crores)
Capital Expenditure	**1.01**	1.25
Recurring Expenditure	**0.00**	0.02
Total Expenditure	**1.01**	1.27
Total R & D expenditure as a percentage of total turnover	**0.01%**	0.01%

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION

1) Efforts, in brief, made towards Technology Absorption, Adaption and Innovation:

a. Installation of Mechanical Kiln Monitoring (MKM) system (Gaj, Ambujanagar)

b. Installation of DCS to increase in reliability of plant automation system (Gaj, Ambujanagar)

c. Installation of latest equipments for Solid Waste Preparation and Handling (Ambujanagar, Maratha, Darlaghat, Rabriyawas and Bhatapara)

d. Automation of cyclone draft cleaning point so that hazard is reduced to zero (Rauri)

e. Installation of Check measuring panel for Clinker to check the feeding accuracy of clinker (Sankrail)

f. Installation of RFID (Radio Frequency Identification) for better coordination of vehicle movements (Ambujanagar, Maratha, Bhatapara, Rabriyawas)

g. Installation of Laboratory Information Management System. (Farakka)

h. Installation of Technical Information System (Bhatapara)

i. Mechanized wagon loading system (Farakka)

j. Vibration analyser and Thermal Camera for better monitoring & Conditional analysis of field Equipments & drives (Farakka)

k. Retrofitting of new high efficiency ILC PH fans Impellers (Rabriyawas)

l. Coriolis coal feeding system for fine coal bin (Rabriyawas)

m. Installation of Continuous Ambient Air Quality Monitoring System at mines location to monitor the ambient air quality (Rabriyawas)

n. Installation of Automatic clinker sampler (Suli, Maratha)

2) Benefits derived as a result of the above efforts in the year 2013

a. Improved operational efficiencies, equipment reliability, productivity and quality.

b. Reduction in manufacturing cost, increase safety and protection of environment.

3) Information regarding Technology Imported during last 5 years

a. DALOG System for Raw Mill gear box monitoring and protection (at Various locations)

b. Installation of Continuous emission monitoring system (at Various locations)

c. Variable speed travel cage and oxy acetylene cutting machine (Ambujanagar, Maratha)

d. Microscope for clinker quality improvement (Ambujangar)

e. Mechanical Kiln Monitoring (MKM) system (Ambujanagar, Bhatapara)

f. Multicore and Vertical Blender for PPC Blending for efficient blending of OPC and ground fly ash to produce PPC (Ambujanagar)

g. Medium Momentum Burners for Ambuja and Gaj (Ambujanagar)

h. installation of PGNAA on cross belt analyser for quality control (Rauri, Bhatapara, Maratha)

i. Ultrasonic detector for False Air Detection and usage of Thermal Imaging Camera for determining hot spots (Rauri)

j. Simulator based training Center for In house training for PLC & Plant operation for Automation engineers & operators (Rauri)

k. Automated bulk loading system (Sankrail)

l. Hybrid ESP for of Cement Mills for reduction of emission (Bhatapara)

m. Kima Sound level sensor for Cement Mill (Bhatappara)

n. Installation of Pfister system for Kiln Feed system and Coal firing system. (Bhatapara)

o. Technical Information system for better online information (Bhatapara)

p. Installation of VRPM for Cement Mill No 2 to improve productivity (Bhatapara)

q. Replacement of existing conventional burner pipe with third generation Multi Channel Burner (Novaflam from Fives Pillard). (Bhatapara)

r. Fuzzy Logic High level control. (Bhatapara line-1, Roorkee)

s. Particle size analyzer. (at Various locations)

t. Modification in packing plants like bag printing machine, increase in spouts etc. (Surat, Rabriyawas, Maratha, Farakka)

u. Installation of Coriolis fine coal feeding system. (Rabriyawas, Ambujanagar)

v. Replacement of reverse air bag house to jet pulse filters, MF HRB -12 for clinker crushing to hammer crusher New Duo flex Burner. (Rabriyawas, Suli)

w. Installation of 500 TPD Synthetic Gypsum Manufacturing plant, VVF drives on various equipments. (Rabriyawas)

x. Rotascale for PC firing. (Maratha)

y. Installation of Kiln shell scanner, Kiln feed actuator, x-ray analyser. (Ambujanagar)

Report on Corporate Governance

The Directors' Report on the compliance of the Corporate Governance Code is given below.

1. Corporate Governance

1.1 Company's Philosophy on Corporate Governance:

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

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since the inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure that the precious natural resources are utilized in a manner that contributes to the "Triple Bottom Line".

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 & targets, policies, reporting mechanism & accountability and decision making process to be followed.

(ii) Committees of Directors - such as Audit Committee, Compliance Committee, Capex Committee and CSR Committee etc. are focused on financial reporting, audit & internal controls, compliance issues, critical assessment & review of large capex and implementation and monitoring of CSR activities.

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

(a) Executive Committee - The Executive Committee comprises of the Managing Director(M.D.), the Dy. M.D. & Chief Executive Officer, the Business Heads and a few Corporate Functional Heads. This committee is a brain storming committee where 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.

(b) Managing Director - The Managing Director is responsible for achieving the Company's vision and mission, mergers and acquisition, significant policy decisions and all the critical issues having significant business & financial implications. He also ensures implementation of the decisions of the Board of Directors and its various Committees. He reports to the Board of Directors.

(c) Dy. M.D. & CEO – The Dy. M.D & CEO is responsible for the entire operations of all the regions, achieving business strategies, project execution and for the overall performance and growth of the Company. He provides strategic directions, policy guidelines and extends support to the Executive Committee Members and other Functional Heads. He reports to the Managing Director and the Board of Directors.

(d) Business Heads - With a view to decentralize the powers and responsibilities and to build leaders, the business operations have been divided into three regions, viz. (i) North, (ii) West & South and (iii) East. Each region is headed by a Business Head, who is responsible for the day to day business and related functions within their respective regions. The Business Heads report to the Dy. M.D. & CEO.

(e) Unit Heads - Unit Head is responsible for operation and maintenance of the plant as well as for all the other functions at the respective plant locations, including all local issues and compliances as may be applicable. He reports to the Business Head.

2. Board of Directors

2.1 Composition:

The Company has a very balanced structure of the Board of Directors, which primarily takes care of the business needs and stakeholders' interest. The composition of the Board also complies with the provisions of the Companies Act, 1956 and the Listing Agreement.

As at the end of corporate financial year 2013, the total Board strength comprises of the following:

Independent Directors (including Chairman)	6
Non Independent Directors (non executive)	4
Non Independent & Executive M.D. and Dy. M.D. & CEO	2
Total Strength	12

None of the Directors is a Director in more than 15 public companies and member of more than 10 committees or act as Chairman of more than five committees across all companies in which they are Directors. Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the retirement policy as laid down by the Board from time to time. The Managing Director, Deputy Managing Director & CEO and all the non-executive directors are liable to retire by rotation unless otherwise specifically approved by the shareholders.

The Non-executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from their respective fields. They take active part at the Board and Committee Meetings 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 brief profile of each Director is given below:

(i) Mr. N. S. Sekhsaria (Non-Executive Chairman Independent)

Mr. Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. In a career spanning over 33 years, he has introduced new standards in manufacturing, management, marketing efficiency and corporate social responsibility to an industry he has helped transform.

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

Mr. Sekhsaria built Ambuja Cement into the most efficient and profitable cement Company in India. He has been instrumental in creating and developing a result-oriented management team. His extraordinary business model for the Company was centred on continually fine-tuning efficiencies and upgrading facilities to meet increased competition and the ever growing challenges in the Cement Industry.

Mr. Sekhsaria also re-defined the 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 as a founder promoter, the Company grew from 0.7 million tonne capacity to 15 million tonnes, from one location foot print to a pan-India Company which set the bench mark for the Cement Industry across every significant business parameters. The market capitalisation of the Company also increased from the original ₹18 Crores in the year 1985 to about ₹14,000 Crores. These achievements from a first generation industrialist in such a short span speaks volume of vision, business acumen and leadership qualities of Mr. Sekhsaria.

(ii) Mr. Paul Hugentobler (Non-Executive Vice Chairman - Promoter Director representing Holcim Ltd., Non Independent)

Mr. Hugentobler, a Swiss national, obtained a degree in civil engineering from the Swiss Federal Institute of Technology, ETH, Zurich, and a degree in economic science from the University of St. Gallen. He joined Holcim Group Support Limited in 1980 as Project Manager and in 1994 was appointed Area Manager for Holcim Limited. During 1999-2000, he served as CEO of Siam City Cement, Thailand. He has been a Member of the Executive Committee of Holcim since January 2002 with responsibility for South Asia and ASEAN excluding Philippines.

He joined the Board in May, 2006. In September, 2009, he was made Non-executive Vice Chairman.

(iii) Mr. Bernard Fontana (Non-Executive Promoter Director representing Holcim Ltd., Non Independent)

Mr. Fontana, a French national, holds a degree in Engineering from the Ecole Polytechnique and the Ecole Nationale Superieure des Techniques Avancees in Paris. He began his career with Groupe SNPE in France where he held various positions including the head of its US operations and the member of the Group Executive Committee. In the year 2004 he joined Arcelor Mittal where he was given the responsibility for HR, IT and Business Development at Flat Carbon division. From 2006 to 2010 he was a member of the Management Committee of Arcelor Mittal with responsibility for the Automotive Worldwide Business Unit and then Group HR. In the year 2010 he was appointed the CEO of Aperam, a company spun off from Arcelor Mittal. He was appointed as the CEO of Holcim Ltd. from 1st February, 2012.

He joined the Board in February, 2012.

(iv) Mr. Bernard Terver (Non-Executive Promoter Director representing Holcim Ltd., Non Independent w.e.f. 04.12.2013)

Mr. Bernard Terver is a French national. He concluded his studies at the Ecole Polytechnique, Paris in 1976. After beginning his career in the steel industry, in 1977 he moved to cement producer CEDEST, which was taken over by Holcim France in 1994. In 1999, Bernard Terver became CEO of Holcim Colombia and in 2003, he was appointed as Area Manager for Andes nations, Central America and the Carribbean. Since October, 2008 he has been CEO of Holcim US and effective November 2010, CEO of Aggregate Industries US. Bernard Terver was appointed Area Manager and member of senior management of Holcim Ltd., w.e.f. 1st April, 2010. From September, 2012, he has been appointed as member of the Executive Committee and effective January, 2013 he has been bestowed the responsibility for Africa and Middle East and the Indian subcontinent (comprising India, Srilanka and and Bangladesh) region of Holcim.

He joined the Board in December, 2013.

(v) Mr. Nasser Munjee (Non-Executive, Independent Director)

Mr. Munjee holds a Bachelor's and Master's degree from the London School of Economics, U.K. His journey in creating financial institutions began with HDFC, whom he has been assisting since its inception in February 1978. In March 1993, he joined the Board of HDFC as Executive Director on which he continues to be along with 11 other companies. In 1997, Mr. Munjee played pivotal role in setting up Infrastructure Development Finance Company (IDFC). Mr. Munjee has deep interest for rural development, housing finance, urban issues, specially the development of modern cities and humanitarian causes.

He is also the Chairman of Development Credit Bank and of two 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 he 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.

(vi) Mr. Rajendra Chitale (Non-Executive, Independent Director)

Mr. Chitale, an eminent Chartered Accountant, is the Managing Partner of M/s. Chitale & Associates, a leading boutique international structuring, tax and legal advisory firm and of M. P. Chitale & Co., a reputed accounting firm. He has served as a member of the Insurance Advisory Committee of the Insurance and Regulatory Authority of India, the Company Law Advisory Committee, Government of India, the Takeover Panel of the Securities & Exchange Board of India, the Advisory Committee on Regulations of the Competition Commission of India, and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served on the board of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Ltd., National Securities Clearing Corporation Limited and SBI Capital Markets Ltd. He is on the Board of several large corporates.

He joined the Board in July, 2002.

(vii) Mr. Shailesh Haribhakti (Non-Executive, Independent Director)

Mr. Shailesh Haribhakti is a Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner & Fraud Examiner. During a career span of four decades, he has successfully established and led many innovative services. His current passions involves outsourcing of knowledge processes, engaged investing, and efficiency and effectiveness enhancement in social, commercial and Governmental organizations. He strongly believes in 'shared value' creation, good public and corporate governance and promoting a green environment. He actively promotes these causes and contributes towards their evolution by participating in the process of framing regulations and standards.

He joined the Board in May, 2006.

(viii) Dr. Omkar Goswami (Non-Executive, Independent Director)

Dr. Goswami, a professional economist, did his Master's in Economics from the Delhi School of Economics and his D. Phil (Ph.D.) from Oxford University. He taught and researched economics for 20 years at various reputed universities in India and abroad. During a career spanning over three decades, he has been associated as advisor to several Government committees and international organizations like the World Bank, the OECD, the IMF and the ADB. He has 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 corporates.

He joined the Board in July, 2006.

(ix) Mr. Haigreve Khaitan (Non-Executive, Independent Director)

Mr. Khaitan is a law graduate and is a Partner of reputed law firm, Khaitan & Co. He started his career in litigation and over the years has been involved in many Mergers & Acquisitions and private equity transactions, as well as project finance transactions. He has rich experience in all aspects of Mergers & Acquisitions, Corporate Restructuring, Demergers, Spin-offs, Sale of Assets, Foreign Investments, Joint Ventures and Foreign Collaborations. He advises a range of large Indian conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail, etc.

He has been recommended by Chambers & Partners, Legal 500 and PLC Which lawyer. IFLR 1000 has recommended him as one of the leading lawyers in India. He has been ranked as the "Band 1 Lawyer" for Corporate M & A transactions. Asialaw Leading Lawyers 2013 India M & A Atlas Awards 2013 regards him as one of the "Leading Lawyers for M & A Transactions". He is on the Board of some of the large public listed companies.

He joined the Board in July, 2012.

(x) Mr. B.L. Taparia (Non-Executive, Non – Independent Director)

Mr. Taparia is a Commerce and Law graduate and a fellow member of the Institute of Company Secretaries of India. He is having more than 40 years of experience in the fields of Legal, Secretarial, Accounts, Finance, Internal Audit, HR, Health & Safety, Sustainability. He joined the Company in the year

1983 as Deputy Company Secretary and after working in different positions in the Company including as a Whole-time Director from the year 1999 to 2009. Mr. Taparia superannuated from the Company in July 2012 as Company Secretary and Corporate Sustainability Officer.

He re-joined the Board in September, 2012.

(xi) Mr. Ajay Kapur (Executive, Non-Independent, Deputy Managing Director and CEO w.e.f 01.08.2013) (Director w.e.f. 25th July, 2013)

Mr. Ajay Kapur is an Economics Graduate from St. Xavier's College, and did MBA from Somaiya Institute of Management Studies And Research – both University of Mumbai. He has also completed the Wharton Advanced Management Program from University of Pennsylvania, USA. He joined the Company in 1993 from Citibank, and for the first eight years was the Executive Assistant to the then Managing Director, Mr. N.S. Sekhsaria. Among several areas, his main focus that time was on Marketing Strategies, Brand and Promotion, Logistics Management and Commercial issues. In 2007, he was made all India Head – Marketing and Commercial Services at Corporate Office and was also inducted as Executive Committee member. In the year 2009, he was made Business Head of West & South region. Mr. Kapur was elevated to the post of CEO in May, 2012.

The Board of Directors have appointed Mr. Kapur as an Additional Director w.e.f. 25th July, 2013 and also as a Dy. Managing Director & CEO w.e.f. 1st August, 2013.

(xii) Mr. Onne van der Weijde (Promoter Director representing Holcim Ltd., Managing Director, Non Independent)

Mr. Onne, a Dutch national, holds a Bachelors' degree in Economics & Accounting from Rotterdam, the Netherlands and a Master's degree in Business Administration from the University of Bradford, UK. In the year 1996 he joined Holcim and after holding various positions, he was appointed Director and General Manager for Holcim (India) Pvt. Ltd. in March 2005. He was the CFO of ACC for around 2 years during 2006-2008. He possesses more than 16 years of experience in cement industry including 8 years in Indian cement industry. Recently Holcim Ltd. has given him additional responsibility by appointing him as the Area Manager and a member of its Senior Management Team.

He joined the Board in January, 2009. In May, 2010 he became the Managing Director of the Company.

2.2 Meetings, agenda, attendance & proceedings etc. of the Board Meeting:

Meetings:

The Board generally meets 5 times during the year. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. During the year ended on 31st December, 2013, the Board of Directors had 5 meetings. These were held on 7th February, 2013, 3rd May, 2013, 24th July, 2013, 23rd October, 2013 and 4th December, 2013. The attendance of the Directors at the Board meeting is given elsewhere in this section.

Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are generally circulated seven days prior to the Board Meeting.

Invitees & Proceedings:

Apart from the Board members, the Company Secretary, the Business Heads and the CFO are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director, Dy. M.D., Business Heads and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

Post Meeting Action:

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 Company Secretary for the action taken / pending to be taken.

Attendance at the Board and Annual General Meeting

The last Annual General Meeting (AGM) was held on 4th April, 2013. The attendance record of the Directors at the Board Meetings during the year ended on 31st December, 2013, and at the last AGM is as under:-

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. N. S. Sekhsaria	Chairman Non Executive, Independent	5	Yes
2.	Mr. Paul Hugentobler	Vice Chairman Non Executive, Non Independent	5	No
3.	Mr. Bernard Fontana	Non-Executive, Non Independent	3	No
4.	Mr. Bernard Terver (w.e.f. 4th December, 2013)	Non-Executive, Non Independent	1/1	N.A.
5.	Mr. M. L. Bhakta (upto 4th April, 2013)	Non-Executive, Independent	1/1	No
6.	Mr. Nasser Munjee	Non-Executive, Independent	4	Yes
7.	Mr. Rajendra Chitale	Non-Executive, Independent	5	No
8.	Mr. Shailesh Haribhakti	Non-Executive, Independent	3	Yes
9.	Dr. Omkar Goswami	Non-Executive, Independent	4	Yes
10.	Mr. Naresh Chandra (upto 4th April, 2013)	Non-Executive, Independent	1/1	No
11.	Mr. Haigreve Khaitan	Non Executive, Independent	4	No
12.	Mr. B.L. Taparia	Non Executive, Non Independent	5	Yes
13.	Mr. Ajay Kapur (w.e.f. 1st August, 2013)	Dy. Managing Director & CEO, Executive, Non-Independent	2/2	N.A.
14.	Mr. Onne van der Weijde	Managing Director, Non Independent	5	Yes

2.3 Other Directorships etc.:

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and section 25 Companies) held by the Directors as on 31st December, 2013, are given below:-

Sr. No.	Name of the Directors	No. of other Directorships	Chairman of the Board	Committee Member		Chairman of the Committee
				(Mandatory)	Non-Mandatory	Mandatory
1.	Mr. N. S. Sekhsaria	2	1	0	1	0
2.	Mr. Paul Hugentobler	2	0	2	2	1
3.	Mr. Bernard Fontana	1	0	0	0	0
4.	Mr. Bernard Terver (w.e.f. 4th December, 2013)	1	0	1	3	0
5.	Mr. Nasser Munjee	11	2	7	12	5
6.	Mr. Rajendra P. Chitale	7	0	5	4	1
7.	Mr. Shailesh V. Haribhakti	10	0	7	10	5
8.	Dr. Omkar Goswami	9	0	9	13	3
9.	Mr. Haigreve Khaitan	14	0	8	8	0
10.	Mr. B.L. Taparia	2	0	1	0	0
11.	Mr. Ajay Kapur	1	0	0	0	0
12.	Mr. Onne van der Weijde	1	0	0	0	0

The number of Directorships, Chairmanships and Committee memberships of each Director is in compliance with the relevant provisions of the Companies Act, 1956 and the Listing Agreement.

2.4 Compensation and Remuneration:

Remuneration to Directors:

(a) The remuneration of the Managing Director and the Dy. M.D. & CEO is decided based on the Company's size, industry practice, current trend and the overall performance of the Company. The Nomination and Remuneration Committee submits its recommendation to the Board, which after consideration approves the remuneration payable to the Managing Director and the Dy. M.D. & CEO (which also includes the annual increments and performance bonus) within the overall limits prescribed under the Companies Act, 1956. Approval of the shareholders is obtained wherever required.

(b) The Non-Executive Directors are paid sitting fees of ₹20,000/- per meeting for attending the Board and Audit Committee meetings and ₹10,000/- per meeting for attending other committee meetings, except Share Transfer Committee, for which no sitting fees is paid.

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 ₹13 lacs to each of the Non-Executive Directors who were in office for the whole of the financial year 2013 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 ₹9 lacs for each of the Non-Executive Member Directors of the Audit Committee and Compliance Committee who were in office for the whole of the financial year 2013 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 ₹22 lacs per Director.

During the year, Mr. B.L. Taparia was paid a remuneration of ₹108 lacs towards the advisory services rendered by him to the Company, on receipt of the Central Government's approval. He is not entitled to receive any commission.

None of the Directors hold any convertible instruments.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Directors during the year ended on 31st December, 2013 are given below:-

Sr. No.	Name of the Directors	Remuneration (₹)	Sitting Fees (₹)	Commission (₹)	No. of shares held
1.	Mr. N. S. Sekhsaria	Nil	1,40,000	13,00,000	1,000
2.	Mr. Bernard Fontana	Nil	60,000	13,00,000	Nil
3.	Mr. Paul Hugentobler	Nil	2,50,000	22,00,000	Nil
4.	Mr. Bernard Terver	Nil	20,000	99,726	Nil
5.	Mr. M. L. Bhakta (Upto 4th April, 2013)	Nil	80,000	5,66,575	2,25,000
6.	Mr. Nasser Munjee	Nil	1,80,000	19,68,219	Nil
7.	Mr. Rajendra P. Chitale	Nil	3,40,000	22,00,000	Nil
8.	Mr. Shailesh Haribhakti	Nil	2,00,000	22,00,000	Nil
9.	Dr. Omkar Goswami	Nil	1,30,000	22,00,000	Nil
10.	Mr. Naresh Chandra (upto 4th April, 2013)	Nil	30,000	5,66,575	Nil
11.	Mr. Haigreve Khaitan	Nil	1,10,000	19,68,219	Nil
12.	Mr. B. L. Taparia@	1,08,00,000	2,50,000	Nil	4,42,250
13.	Mr. Ajay Kapur, Dy. MD & CEO# (w.e.f. 1st August, 2013)	2,32,32,483	Nil	Nil	1,85,500
14.	Mr. Onne van der Weijde, MD*	3,84,04,199	Nil	Nil	Nil
	TOTAL	7,24,36,682	17,90,000	1,65,69,315	8,53,750

@ Mr. B.L. Taparia's remuneration is in the form of Advisory Service Fees in terms of contract entered into with the Company and duly approved by the Shareholders and the Central Government.

* Appointment of MD is governed by a service contract for a period of 5 years and the notice period of 3 months.

Appointment of the Deputy M.D & CEO is governed by a service of contract for a period of 3 years and notice period of 3 months.

Note: Remuneration of the MD and Dy. MD & CEO includes basic salary, performance bonus, allowances, contribution to provident, superannuation and gratuity funds and perquisites (including monetary value of taxable perquisites) etc.

2.5 Code of Conduct:

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 covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Company believes in "Zero Tolerance" to bribery and corruption in any form and 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.

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

2.6 Prevention of Insider Trading Code:

As per SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the directors, employees at senior management level and other employees who could have access to the unpublished price sensitive information of the Company are governed by this 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. During the year under review there has been due compliance with the said code.

3. Audit Committee

3.1 Composition:-

The Audit Committee comprises of the following members as on 31st December, 2013:-

1.	Mr. Rajendra Chitale	–	Chairman (w.e.f. 4th May, 2013)
2.	Mr. Nasser Munjee	–	Member (w.e.f. 5th April, 2013)
3.	Dr. Omkar Goswami	–	Member (w.e.f. 4th May, 2013)
4.	Mr. Paul Hugentobler	–	Member

Mr. M. L. Bhakta, Member of the Committee retired as Director at the last Annual General Meeting held on 4th April, 2013 and accordingly ceased to be a member of the Committee w.e.f. 5th April, 2013. Mr. Shailesh Haribhakti, Chairman of the Committee resigned from the Committee w.e.f. 4th May, 2013. Mr. Rajiv Gandhi, Company Secretary acts as secretary to the committee. All the members of the Audit Committee are Non-Executive Directors and except Mr. Paul Hugentobler, all are Independent Directors. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

3.2 Invitees / Participants:-

1. The Managing Director, the Deputy M.D. & CEO and Mr. B.L. Taparia are the permanent invitees to all Audit Committee meetings.
2. Head of Internal Audit department 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 issues that come up during discussions.
3. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.
4. The representatives of the Cost Auditors have attended 1 Audit Committee Meeting when the Cost Audit Report was discussed.
5. The Business Heads and the CFO also attend Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc.
6. The Committee also invites the representatives of Holcim group's internal audit department to attend the Audit Committee meetings for getting their valuable support and guidance on the international best practices in internal audit and strengthening of internal controls.

3.3 Meetings:-

The Audit Committee during the year ended on 31st December, 2013 had 5 meetings. The attendance of each Committee member was as under:-

Sr. No.	Name of the Directors	No. of Meetings attended
1.	Mr. Rajendra Chitale, Chairman (w.e.f. 4th May, 2013)	5
2.	Mr. M. L. Bhakta, (Member - upto 4th April, 2013)	1/1
3.	Mr. Shailesh Haribhakti, (Chairman- upto 4th May, 2013)	2/2
4.	Mr. Paul Hugentobler	5
5.	Mr. Nasser Munjee (member w.e.f. 5th April, 2013)	3
6.	Mr. Omkar Goswami (member w.e.f. 4th May, 2013)	1

Mr. Shailesh Haribhakti, who held the position of Chairman of the Audit Committee at the time of the last Annual General Meeting, was present at the said meeting to answer the shareholders queries.

3.4 Private Meetings:-

In order to get the inputs and opinions of the Statutory Auditors and the Internal Auditors, the Committee also held one separate one-to-one meeting during the year with the Statutory Auditor and Head of Internal Audit department without the presence of the Managing Director, Dy. M.D. & CEO and the management representatives.

3.5 Terms of Reference:-

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the stock exchanges read with section 292A of the Companies Act. These broadly include (i) approval of annual internal audit plan, (ii) review of financial reporting systems, (iii) review of internal control systems, (iv) discussions on quarterly, half yearly and annual financial results, (v) interaction with statutory, internal & cost auditors, (vi) recommendation for appointment of statutory & cost auditors and their remuneration and (vii) the risk management framework concerning the critical operations of the Company.

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

(a) Management's Discussions and Analysis of Company's operations,

(b) Periodical Internal Audit Reports,

(c) Fraud Risk Management Committee's Reports,

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

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

(f) Appointment, removal and terms of remuneration of Chief Internal Auditor, Statutory Auditor and the Cost Auditor,

(g) Significant related party transactions,

(h) Quarterly and annual financial statements including investments made by the subsidiary companies.

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

3.6 Other Matters:-

1. The Audit Committee has framed its Charter for the purpose of effective compliance of clause 49 of the listing agreement. The Charter is reviewed by the Committee annually and necessary amendments as may be required are made in it from time to time.
2. In view of large number of laws & regulations applicable to the Company's business, their complexities and the time required for monitoring the compliances, the task of monitoring and reviewing of legal & 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. 4 below.

4. Compliance 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 regime for sustainable business operations. With this object, a structured mechanism for ensuring full compliance of various statutes, rules & regulations has been put in place and a separate Committee of Directors by the name "Compliance Committee" has been constituted by the Board. The Committee consists of the members as stated below. During the year 2013, the Committee held 4 meetings which were attended by the members as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings attended
1.	Mr. Haigreve Khaitan, (Chairman - w.e.f. 5th April, 2013)	Independent Director	3
2.	Mr. Shailesh Haribhakti, (Chairman - upto 4th April, 2013)	Independent Director	4
3.	Dr. Omkar Goswami	Independent Director	3
4.	Mr. Naresh Chandra, (Member - upto 4th April, 2013)	Independent Director	1
5.	Mr. Paul Hugentobler	Non Independent Director	3
6.	Mr. B.L. Taparia	Non Independent Director	4
7.	Mr. Onne van der Weijde	Managing Director	4

Mr. Shailesh Haribhakti stepped down as the Chairman of the Committee w.e.f. 4th April, 2013, but continues to be a member. Mr. Haigreve Khaitan has joined the Committee w.e.f. 5th April, 2013 and was appointed as the Chairman.

The Dy. M.D. & CEO, the CFO and the Head of Legal department are the Permanent Invitees to all the Committee meetings. Company Secretary acts as the Secretary to the Committee.

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 & regulations;

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

f. review the judgments 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 & Ethics and Code of Conduct for prevention of Insider Trading.

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

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

5. Nomination and Remuneration Committee (formerly Compensation and Remuneration Committee)

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee during the year ended on 31st December, 2013 had 3 meetings. The attendance of the members was as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings attended
1.	Mr. M. L. Bhakta, (Chairman & Member - upto 4th April, 2013)	Independent Director	1/1
2.	Mr. N. S. Sekhsaria, (Chairman - w.e.f. 5th April, 2013)	Independent Director	3
3.	Mr. Nasser Munjee	Independent Director	3
4.	Mr. Shailesh Haribhakti	Independent Director	3
5.	Mr. Paul Hugentobler	Non Independent Director	2

Mr. M. L. Bhakta ceased to be the Chairman and member of the Committee upon his retirement from the Board of Directors. Mr. Onne van der Weijde, Managing Director and Mr. Ajay Kapur, Dy. M.D. & CEO are the permanent invitee for all the Committee meetings. Company Secretary acts as the Secretary to the Committee.

The Committee is empowered -

(a) to recommend to the Board on the appointment of Non-executive Directors to fill vacancy caused due to resignation or retirement.

(b) to recommend to the Board of Directors the payment of remuneration and Annual Commission to the Non-executive Directors.

(c) to recommend to the Board on the appointment and the terms & conditions of appointment (including remuneration) of the Managing Director(s) and the Whole-time Director(s).

(d) to recommend to the Board on payment of performance bonus and annual increment to the Managing Director(s) and the Whole-time Director(s).

(e) to approve the appointment (based on the recommendation of the Managing Director / the Dy. M.D. & CEO) of the CFO and the Business Heads.

(f) to approve the payment of performance bonus and annual increment to the members of the Executive Committee and the Company Secretary (based on the recommendation of the Managing Director / the Dy. M.D. & CEO).

The remuneration (including the performance bonus and annual increment) is decided on the basis of following broad criteria:-

i) industry trend.

ii) remuneration package in other comparable corporates.

iii) job responsibilities and individual's KRAs.

iv) Company's performance and individual's performance.

(g) to approve and recommend the Employee Stock Option Scheme for the approval of the Shareholders. Once approved by the Shareholders, the Committee decides the grant of stock options to the Managing Director and other EXCO members and based on the recommendation of Corporate HR and EXCO, the committee decides the eligibility of other employees and grant options to them.

(h) to supervise the implementation of the Employee Stock Option Scheme.

6. Share Allotment and Investors' Grievances Committee

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

The Committee is headed by Mr. Rajendra Chitale, Independent Director and consists of the members as stated below. During the year ended on 31st December, 2013, this Committee had 11 meetings which were attended by the members as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings attended
1.	Mr. M. L. Bhakta (Chairman & Member - upto 4th April, 2013)	Independent Director	1/1
2.	Mr. Rajendra Chitale (Chairman w.e.f. 5th April, 2013)	Independent Director	11
3.	Mr. B.L. Taparia	Non - Independent Director	10
4.	Mr. Onne van der Weijde	Managing Director	6
5.	Mr. Ajay Kapur (Member w.e.f. 23rd October, 2013)	Dy. M.D. & CEO	2/3

Mr. Rajiv Gandhi, 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 & Share Transfer Agent during the year are as under:

Nature of Complaints	Opening	Received During the Year	Resolved	Pending Resolution
Non Receipt of Bonus Shares	Nil	Nil	Nil	Nil
Non Receipt of Transferred Shares	Nil	Nil	Nil	Nil
Non Receipt of Dividend	Nil	Nil	Nil	Nil
Non Receipt of Revalidated Dividend Warrants	Nil	Nil	Nil	Nil
Letters from SEBI / Stock Exchanges, Ministry of Corporate Affairs etc.	Nil	29	29	Nil
Demat Queries	Nil	Nil	Nil	Nil
Miscellaneous Complaints	Nil	Nil	Nil	Nil
TOTAL	Nil	29	29	Nil

None of the complaints is pending for a period exceeding 30 days. All the 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 & Share Transfer Agent have received more than 12,000 letters / queries / requests on various matters such as change of address, change of bank particulars, ECS mandate, nomination request etc. and we are pleased to report that except for requests received during the year end which are under process, all other queries / requests have been replied on time.

7. Other Committees of Directors

In addition to the above referred Committees which are mandatory under the Companies Act, the Listing Agreement and under the SEBI Guidelines, the Board of Directors has constituted the following Committees of Directors to look into various business matters :-

(A) Corporate Social Responsibility (CSR) Committee

The provisions of Companies Act, 2013 which is yet to be completely notified, mandates the constitution of CSR Committee by certain Companies. Accordingly, the Company has constituted a CSR Committee at its board meeting held on 3rd May, 2013. The Committee comprises of Mr. N. S. Sekhsaria (Chairman), Mr. Nasser Munjee, Mr. B. L. Taparia and Mr. Onne van der Weijde as the members. Mr. Ajay Kapur, Dy. M.D. & CEO and Mrs. Pearl Tiwari, Head of Ambuja Cement Foundation, the Company's dedicated CSR arm are the permanent invitees of the Committee meeting.

The Role and Responsibilities of the Committee are as follows:-

- To frame the CSR Policy and its review from time to time.
- To ensure effective implementation and monitoring of the CSR activities as per the approved policy.
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

(B) Capex Committee

A large CAPEX needs critical evaluation of all the aspects of the project. The detailed engineering, the profile of equipment suppliers, cost estimates & contingencies, schedule of implementation and safety & security of people are some of the critical areas where focused appraisal is required at the highest level. In view of the same, a separate CAPEX Committee of Directors was formed w.e.f 1st May 2010. The Committee comprises of Mr. Paul Hugentobler, Chairman, Mr. Nasser Munjee and Mr. Rajendra P. Chitale as the Members. Mr. Onne van der Weijde, Managing Director and Mr. M.L. Narula (former Managing Director of ACC Ltd.) are the permanent invitees for all the Committee meetings.

The Roles and Responsibilities of the Committee are as follows:

(a) To approve and recommend to the Board, all CAPEX proposals for green field plants, new kilns or power plants.

(b) To critically evaluate all the aspect of techno commercial feasibility and financial viability of these projects.

The Committee did not hold any meeting during the year under review.

(C) Management Committee

The Management Committee is formed to authorize grant of Power of Attorney to executives, to approve various facilities as and when granted by the Banks and execution of documents for these facilities. Five committee meetings were held during the year 2013. The committee comprises of Mr. Rajendra Chitale, Chairman (w.e.f. 4th April, 2013), Mr. Shailesh Haribhakti, the Managing Director & the Dy. M.D. & CEO as the Members. Mr. M. L. Bhakta acted as the Chairman of the Committee upto 4th April, 2013.

(D) Share Transfer Committee

Share Transfer Committee regularly approves transfer & transmission of shares / debentures / bonds, issue of duplicate / re-materialized shares and consolidation & splitting of certificates etc. The committee comprises of the Managing Director as the Chairman, Mr. Shailesh Haribhakti, Mr. Rajendra P. Chitale, Mr. B.L. Taparia and Mr. Ajay Kapur as the Members.

8. Whistle Blower 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 & misconduct. The Audit Committee is committed to ensure fraud free work environment and to this end the Committee has laid down a Fraud Risk Management Policy providing a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud/misconduct through any of the following reporting protocols:

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

In order to instil more confidence amongst Whistleblowers, the management of the above referred reporting protocols are managed by an independent agency.

This policy is applicable to all the directors, employees, vendors and customers of the Company and contains features similar to the Whistle Blower Policy.

The policy is also posted on the website of the Company.

The main objectives of the policy are as under:

(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.

For the effective implementation of the policy, the Audit Committee has constituted a Fraud Risk Management Committee (FRMC) of very senior executives/director comprising of:

(i) Mr. B. L. Taparia, Non - Executive Director – Chairman

(ii) Mr. Onne van der Weijde (MD) - Member

(iii) Mr. Sanjay Khajanchi (VP – Accounts & Reporting) – Member (w.e.f. 16th May, 2013)

(iv) Mr. A. J. Pandya - Member

Mr. Rajiv Gandhi, Company Secretary acts as the Response Manager and Secretary to the Committee.

The FRMC 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 through internal audit department 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 & procedure and review of internal control systems;

(v) annual review of the policy.

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

9. General Body Meetings

(i) Annual General Meeting (AGM):

The Company convenes Annual General Meeting generally within four months from the close of the Corporate Financial Year. The details of Annual General Meetings held in last 3 years are as under:-

Year	Day, Date and Time	Venue	Whether Special Resolution passed
2010	28th AGM held on Monday, 11th April, 2011 at 10.00 am	Registered Office	Yes
2011	29th AGM held on Tuesday, 27th March, 2012 at 10.00 am	Registered Office	Yes
2012	30th AGM held on Thursday, 4th April, 2013 at 10.00 am.	Registered Office	Yes

(ii) Extra Ordinary General Meetings:

In addition to Annual General Meeting, the Company holds General Meetings of the shareholders as and when need arises. During the year, following Extra Ordinary General Meetings were held:

(a) A Court Convened Meeting of the Equity Shareholders of the Company was held on 23rd November, 2013 at the Registered Office of the Company, as per the direction of the Hon'ble High Court, Gujarat for approving the Scheme of Amalgamation of Holcim (India) Private Limited with the Company.

The approval of the equity shareholders at the above meeting was sought by conducting Polls as per the provisions of the Companies Act and the Companies (Court) Rules. The resolution was passed with the requisite majority as stipulated under the Companies Act, 1956.

(b) An Extra-ordinary General Meeting of the Equity Shareholders was held on 23rd November, 2013 at the Registered Office of the Company to approve the Reduction of Share Capital of the Company, subject to the sanction of the above referred Scheme of Amalgamation by the Hon'ble High Courts. The Special Resolution was approved by requisite majority of the shareholders.

(iii) Postal Ballot:

The Company successfully completed the process of obtaining approval of its Members on the following resolution through Postal Ballots during the year 2013:

1. *Payment of Technology & Know-how Fees to Holcim :*

   Voting Pattern and Procedure for Postal Ballot:

   (i) The Board of Directors of the Company, vide a circular resolution dated 10th January, 2013, had appointed Mr. Surendra Kanstiya as the Scrutinizer for conducting the postal ballot voting process.

   (ii) The company had completed on 16th January, 2013 the dispatch of the postal ballot forms along with postage prepaid business reply envelopes to its members whose name(s) appeared on the Register of Members/list of beneficiaries as on 4th January, 2013.

   (iii) The voting under the postal ballot was kept open from 17th January, 2013 to 15th February, 2013.

   (iv) Particulars of postal ballot forms received from the Members were entered in a register separately maintained for the purpose.

   (v) The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

   (vi) All postal ballot forms received/receivable up to the close of working hours on 15th February, 2013 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.

   (vii) Envelopes containing postal ballot forms received after close of business hours on 15th February, 2013 had not been considered for his scrutiny.

   (viii) Mr. B.L. Taparia, Director announced the following results of the postal ballot as per the Scrutinizer's Report:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through physical Postal Ballots	116,17,17,494	84,79,56,250	72.99	31,37,61,244	27.01
Votes cast through Electronic Mode	1,95,73,116	6,25,347	3.19	1,89,47,769	96.81
Total	118,12,90,610	84,85,81,597	71.84	33,27,09,013	28.16

2. *Scheme of Amalgamation between the Company and Holcim India Pvt. Ltd.:*

   Voting Pattern and Procedure for Postal Ballot

   (i) The Board of Directors of the Company, vide a circular resolution dated 9th October, 2013 had appointed Mr. Surendra Kanstiya as the Scrutinizer for conducting the postal ballot voting process.

   (ii) The company had completed on 18th October, 2013 the dispatch of the postal ballot forms along with postage prepaid business reply envelopes to its members whose name(s) appeared on the Register of Members/list of beneficiaries as on 9th October, 2013.

   (iii) The voting under the postal ballot was kept open from 21st October, 2013 to 19th November, 2013.

   (iv) Particulars of postal ballot forms received from the Members were entered in a register separately maintained for the purpose.

   (v) The postal ballot forms were kept under his safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

   (vi) All postal ballot forms received/receivable up to the close of working hours on 19th November, 2013 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.

   (vii) Envelopes containing postal ballot forms received after close of business hours on 19th November, 2013 had not been considered for his scrutiny.

   (viii) Mr. B.L. Taparia, Director, had announced the following results of the postal ballot as per the Scrutinizer's Report:

   Summary of the Valid Postal Ballots received for the Resolution No.1

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through physical Postal Ballots	37,07,34,818	31,95,18,278	86.19	5,12,16,540	13.81
Votes cast through Electronic Mode	17,91,20,925	5,72,53,935	31.96	12,18,66,990	68.04
Total	54,98,55,743	37,67,72,213	68.52	17,30,83,530	31.48

Summary of the Valid Postal Ballots received for the Resolution No.2

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Votes cast through physical Postal Ballots	37,04,94,097	31,93,85,516	86.21	5,11,08,581	13.79
Votes cast through Electronic Mode	17,91,26,022	5,72,54,112	31.96	12,18,71,910	68.04
Total	54,96,20,119	37,66,39,628	68.53	17,29,80,491	31.47

10. Disclosures

(i) During the year under review, the Company sought legal and professional advices on need basis from M/s. Haribhakti & Company and M/s. Khaitan & Co., firms in which the Non-Executive, Independent Directors of the Company i.e. Mr. Shailesh V. Haribhakti and Mr. Haigreve Khaitan respectively are partners and paid a sum of ₹1.5 Lacs and ₹10.68 Lacs respectively as fees. As the amount paid does not form a significant portion of the revenue of M/s.Haribhakti & Company and M/s. Khaitan & Company and thus not considered material to impinge upon the independence of Mr. Shailesh V. Haribhakti and Mr. Haigreve Khaitan respectively. Accordingly, there are no pecuniary relationship or transactions of Non-Executive Independent Directors vis-a-vis the Company which has potential conflict with the interests of the Company at large.

(ii) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.

(iii) 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.

(iv) The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements.

(v) 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.

(vi) 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.

(vii) The Company does not have material non-listed subsidiary companies as defined in Clause 49 of the Listing Agreement.

(viii) The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement.

11. CEO / CFO Certification

The MD, Dy. M.D. & Chief Executive Officer (Dy. M. D. & CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Clause 49 of the listing agreement 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.

12. Non-mandatory requirements under Clause 49 of Listing Agreement

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

12.1 Non-Executive Chairmans Office: The Company now does not maintain a separate office for the Chairman as there is no need felt for this.

12.2 Tenure of Independent Directors: Independent Directors to retire upon attaining the age of 75 years.

12.3 Remuneration Committee: The Board has set up a Nomination & Remuneration Committee for which details have been provided in this report under point no. 5.

12.4 Shareholders' Rights: As the quarterly and half yearly financial performance are published in the news papers and are also posted on the Companies website, the same are not being sent to the shareholders.

12.5 Audit Qualifications: The Company's financial statement for the year 2013 does not contain any audit qualification.

12.6 Training of Board Members: The Board members are well experienced to perform their role best suited to the business. The Board members are fully updated on all the new initiatives proposed by the company, developments in the domestic/global corporate and industry scenario, changes in the statutes/legislation & economic environment and critical business issues. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

12.7 Mechanism for evaluation of Non-Executive Directors: At present there is no structured mechanism for evaluation of Non-Executive Directors. However, collectively the Board provides direction and exercise overall supervision to ensure that the Company is managed in a manner that fulfils stakeholders' expectations.

12.8 Whistle Blower Policy: The Audit Committee has laid down a Whistle Blower Policy in the name of Fraud Risk Management Policy, the details of which have been given in point no. 8 above.

13. Means of Communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in The Financial Express, Business Standard and other newspapers.

These results are simultaneously posted on the website of the Company at www.ambujacement.com and also uploaded on the website of National Stock Exchange of India Ltd. and the Bombay Stock Exchange of India Ltd.

The official press releases and presentation made to Institutional Investors / Analysts, if any, are also available on the Company's website.

14. General Shareholders' Information

14.1 Registered Office:

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

14.2 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: Pursuant to Clause 47(f) of the Listing Agreement, the following e-mail ID has been designated for communicating investors' grievances:-

shares@ambujacement.com

14.3 Plant Locations:

Integrated Cement Plants

i. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat.
ii. Darlaghat, District Solan, Himachal Pradesh.
iii. Maratha Cement Works, Dist. Chandrapur, Maharashtra.
iv. Rabriyawas, Dist. Pali, Rajasthan.
v. Bhatapara, Dist. Raipur, Chhattisgarh.

Grinding Stations

i. Roopnagar, Punjab.
ii. Bathinda, Punjab.
iii. Sankrail, Dist. Howrah, West Bengal.
iv. Farakka, Dist. Murshidabad, West Bengal.
v. Roorkee, Dist. Haridwar, Uttaranchal.
vi. Dadri, Dist Gautam Budh Nagar, Uttar Pradesh.
vii. Nalagarh, Dist. Solan Himachal Pradesh.
viii. Magdalla, Dist. Surat, Gujarat.

Bulk Cement Terminals

i. Muldwarka, District Gir Somnath, Gujarat.
ii. Panvel, District Raigad, Maharashtra.
iii. Cochin, Kerala.
iv. Mangalore, Karnataka

14.4 Share Transfer Agents:

Sharepro Services (India) Pvt. Ltd.,
13AB Samhita Warehousing Complex, 2nd Floor, Near Saki Naka Telephone Exchange,
Andheri Kurla Road, Saki Naka, Andheri (East), Mumbai - 400 072
Tel. No.: (022) 67720300/67720400, Fax No.: (022) 28591568 / 28508927
E-mail - sharepro@shareproservices.com

14.5 Annual General Meeting:

Day & Date	:	Thursday, 10th April, 2014
Time	:	10.00 a.m.
Venue	:	P.O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat - 362 715. (Registered Office of the Company)

14.6 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 14th February, 2014 till Friday, the 21st February, 2014 (both days inclusive) for payment of final dividend.

14.7 Dividend Payment Date:

Dividend shall be paid to all the eligible shareholders from 15th April, 2014 onwards.

14.8 Listing of Shares & Other Securities:

A. Equity Shares

The equity shares are at present listed at the following Stock Exchanges:

Name of the Stock Exchanges	Stock Code / Symbol
(i) Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500425
(ii) National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	AMBUJACEM

B. Debentures

There are no outstanding debentures.

C. GDRs

The GDRs are listed under the EURO MTF Platform (Code:US02336R2004) of Luxembourg Stock Exchange, Societe de la Bourse de Luxembourg, Avenue de la Porte Neuve L-2011 Luxembourg, B.P.165.

D. ISIN Code for the Company's equity share

INE079A01024

E. Corporate Identity Number (CIN)

L26942GJ1981PLC004717

14.9 Listing Fees:

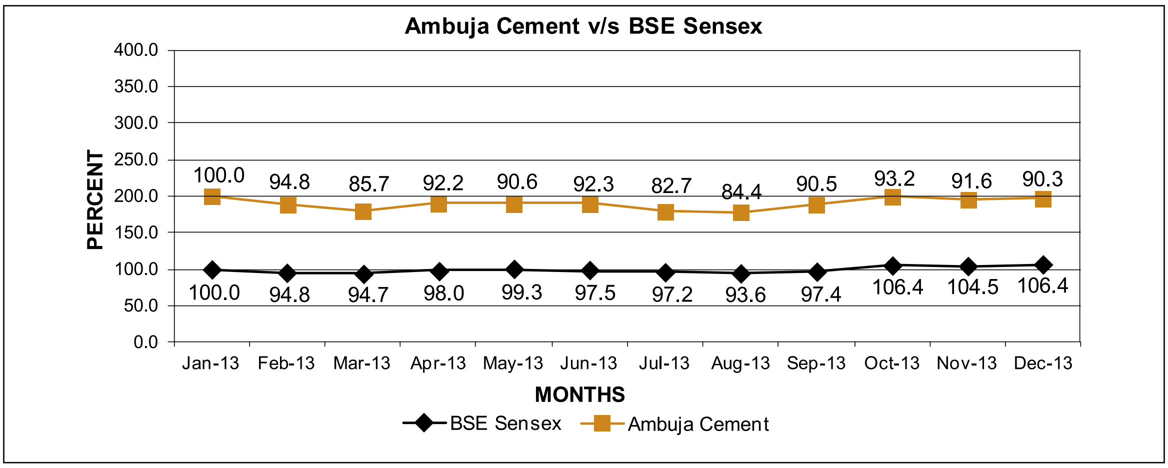
The Company has paid listing fees upto 31st March, 2014 to the Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

14.10 Market Price Data:

The high / low market price of the shares during the year 2013 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January-13	208.25	184.60	208.50	184.60
February-13	206.10	186.05	206.85	186.40
March-13	195.80	166.15	195.95	166.00
April-13	193.60	162.50	194.00	162.25
May-13	194.95	178.10	195.00	178.00
June-13	188.00	169.40	187.80	169.50
July-13	211.90	163.20	212.50	162.55
August-13	184.80	147.55	185.20	146.75
September-13	195.70	163.20	195.90	162.10
October-13	204.55	178.40	205.00	178.10
November-13	190.50	170.65	190.60	170.20
December-13	195.85	174.00	195.80	173.70

14.11 Performance in comparison to broad based indices:



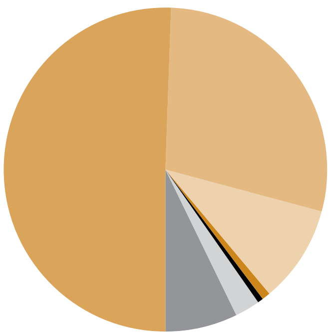
14.12 Distribution of Shareholding:

The shareholding distribution of the equity shares as on 31st December, 2013 is given below:-

No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
Less than 50	100940	2401766	0.15
51 to 100	27010	2371895	0.15
101 to 500	26318	6791713	0.44
501 to 1000	7701	6078784	0.39
1001 to 5000	15301	40755591	2.64
5001 to 10000	3064	22098872	1.43
10001 to 50000	1780	33066254	2.14
50001 to 100000	108	7891825	0.51
100001 to 500000	167	39352950	2.55
500001 & above	126	1385050636	89.60
TOTAL	182515	1545860286	100.00

14.13 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st December, 2013 is given below:-



Category	No. of Shares	Percentage %
Foreign Promoters	780308553	50.48
Foreign Investors (Including FIIs)	471535694	30.50
Mutual Funds Banks & Institution	145182564	9.39
OCB NRIs	14881830	0.96
Body Corporates	5611483	0.36
GDR Holders	24683827	1.60
Others	103656335	6.71
TOTAL	1545860286	100.00

14.14 Dematerialisation of Shares:

About 98.37 % of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31st December, 2013.

14.15 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.

14.16 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, 24683827 GDRs are outstanding as on 31st December, 2013 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 granted stock options from time to time in the past. At the same time, the Company had also issued warrants which can be converted into equity shares. The outstanding position of these convertible instruments as on 31st December, 2013 and their likely impact on the equity share capital is as under:-

Sr. No.	Issue Particulars	Conversion rate (₹ per share)	Likely impact on full conversion: Share Capital (₹ in Crores)	Share Premium (₹ in Crores)
A.	Employee Stock Options			
	(i) 31475 Outstanding options granted under ESOS 2008 (SAP Core Team) one stock option convertible into 1 equity share upto 18th June, 2014	96.00	0.01	0.30

Sr. No.	Issue Particulars		Conversion rate (₹ per share)	Likely impact on full conversion Share Capital (₹ in Crores)	Share Premium (₹ in Crores)
	(ii)	1710500 Outstanding options granted under ESOS 2009, one stock option convertible into 1 equity share upto 18th June, 2014	96.00	0.34	16.08
	(iii)	4639650 Outstanding options granted under ESOS 2010, one stock option convertible into 1 equity share upto 21st April, 2015	119.00	0.93	54.28
		SUB-TOTAL (A)		**1.28**	**70.66**
B.	**Rights entitlement kept in abeyance out of the Rights Issue of equity shares and warrants to equity shareholders made in the year 1992**				
	(i)	139830 Right shares	* 6.66	0.03	0.07
	(ii)	186,690 warrants	* 7.50	0.04	0.10
	SUB-TOTAL (B)			**0.07**	**0.17**
	GRAND TOTAL (A+B)			**1.35**	**70.83**

(*) conversion price has been arrived at 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 ₹ 310.52 Crores.

14.17 Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agents in about 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 Share Transfer Committee considers the transfer proposals generally on a weekly basis.

14.18 Mandatory requirement of PAN:

SEBI vide its circular dated 7th January, 2010 has made it mandatory to furnish PAN copy in the following cases:

(i) Deletion of name of deceased shareholder(s), where the shares are held in the name of two or more shareholders;

(ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder.

(iii) Transposition of shares – in case of change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

14.19 Financial Calendar 2014:

First quarterly results	:	May 2014
Second quarterly / Half yearly results	:	July 2014
Third quarterly results	:	October 2014
Annual results for the year ending on 31st December, 2014	:	February 2015
Annual General Meeting for the year ending on 31st December, 2014	:	April 2015

14.20 Dividend Policy:

The first issue of shares was made by the Company in the year 1985 at ₹10/- per share. Company is paying dividend from its very first full year of operation. From a modest dividend of 11% in 1987-88, the Company has been increasing dividend almost every year. This year, the Board has recommended total dividend of 180% (₹3.60 per share) including 70% (₹1.40 per share) paid as interim dividend. As a future policy for payment of dividend, Company shall endeavour to follow a pay-out ratio of about 35% in the ordinary circumstances.

14.21 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)
2008	60	50	110	334.96
2009	60	60	120	365.59
2010	60	70	130	397.22
2011	70	90	160	490.68
2012	70	110	180	554.80

15. Subisidiary Companies

There is no material non listed Indian subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary Company. The requirements of the Clause 49 of the Listing Agreement with regard to subsidiary companies have been complied with.

Auditors' Certificate

To,

The Members of Ambuja Cements Limited

We have examined the compliance of conditions of corporate governance by Ambuja Cements Limited, ('the Company'), for the year ended on December 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 S. R. BATLIBOI & CO., LLP

ICAI Firm registration number: 301003E

Chartered Accountants

per Ravi Bansal

Partner

Membership No.: 49365

Mumbai, 6th February, 2014

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.

Onne van der Weijde

Managing Director

Mumbai, February 6th, 2014

MD /Dy. M. D. & CEO / CFO Certification

The Board of Directors

Ambuja Cements Ltd.

We have reviewed the financial statements, read with the cash flow statement of Ambuja Cements Ltd. for the year ended 31st December, 2013 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.

Yours sincerely,

Sanjeev Churiwala	Ajay Kapur	Onne van der Weijde
Chief Financial Officer	Dy. M.D. & CEO	Managing Director

Mumbai, February 6th, 2014

Business Responsibility Report for the year 2013

In terms of clause 55 of the Listing Agreement

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 Clause no 55 has been inserted in the Listing Agreement requiring the listed companies to submit as a part of their Annual report Business Responsibility Reports describing the initiatives taken by them from an environmental, social and Government perspective, in the format given under the Listing Agreement.

The initiatives taken by the Company are given in the prescribed format as under:-

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L26942GJ1981PLC004717
2. Name of the Company: AMBUJA CEMENTS LIMITED
3. Registered address: P.O. Ambujanagar, Taluka Kodinar, District Gir - Somnath, Gujarat- 362715
4. Website: www.ambujacement.com
5. E-mail id: secretarial@ambujacement.com
6. Financial Year reported: 01.01.2013 to 31.12.2013
7. Sector(s) that the Company is engaged in (industrial activity code-wise): MCA Industrial Activity code
8. List three key products/services that the Company manufactures/provides (as in balance sheet): The key product that the Company manufactures is PORTLAND POZOLLANA CEMENT. We also produce Ordinary Portland Cement.
9. Total number of locations where business activity is undertaken by the Company
   i. Number of International Locations (Provide details of major 5): NIL
   ii. Number of National Locations: 22
10. Markets served by the Company –

LOCAL	STATE	NATIONAL	INTERNATIONAL
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): 309.17 Crores
2. Total Turnover (INR): 9086.84 Crores
3. Total profit after taxes (INR): 1294.57 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%):

   The Company carries on its CSR activities primarily through its arms Ambuja Cement Foundation and Ambuja Vidya Niketan Trust.

   During the Financial Year 2013, the Company has spent ₹ 52.57 Crores during the Financial Year on CSR activities. This amounts to 4.06% of Profit After Taxes (PAT).
5. List of activities on which expenditure in 4 above has been incurred:-

	Particulars:	**Amount Spent (₹ in Crs.)**
a.	Education Development :	16.86
b.	Water Resource Development:	5.60
c.	Health Development :	4.67
d.	Women Empowerment:	0.75
e.	Infrastructure Development:	9.53
f.	Agro Based Activities:	4.23
g.	Establishment Activities:	7.18
h.	Donation & Other Miscellaneous Activities:	3.75
	TOTAL	52.57

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes the Company has 6 Subsidiary Companies.

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):**

   Out of 6 subsidiary companies, four companies do not carry any business operations. The business activities of the remaining two 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. don't 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/Director responsible for implementation of the BR Policy/policies

   - DIN Number: 00009181
   - Name: Mr. Onne Van Der Weijde
   - Designation: Managing Director

   b) Details of BR head

Sr. No.	PARTICULARS	DETAILS
1.	DIN Number (if applicable)	N.A.
2.	Name	Ajay Kapur
3.	Designation	Dy. Managing Director & Chief Executive Officer.
4.	Telephone Number	022-40667000
5.	E-mail id	ajay.kapur@ambujacement.com

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy / policies for....	Y	Y	--	Y	--	Y	--	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	--	Y	--	Y	--	Y	--
3	Does the policy conform to any national / international standards? If yes, specify?	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	--
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	--

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/wp-content/themes/ambuja/downloads/corporate-governance/code of conduct business ethics.pdf	https://www.ambujacement.com/sustainable-development/sustainability/	--	https://www.ambujacement.com/sustainable-development/ohs/	--	https://www.ambujacement.com/sustainable-development/sustainability/	--	https://www.ambujacement.com/sustainable-development/sustainability/	https://www.ambujacement.com/wp-content/themes/ambuja/downloads/corporate-governance/code of conduct business ethics.pdf
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	--	Y	--	Y	--	Y	--
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	--	Y	--	Y	--	Y	--
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	--	Y	--	Y	--	Y	--
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	--

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.	--		*	During the year, no cases of human rights violation (viz. incidencies of child labour, forced or compulsory labour, overtime without pay etc.) were recorded in our operations.	*		*		

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./ Dy. M.D. & CEO assesses the BR performance of the Company on a Quarterly basis which is then appraised to the Board at its quarterly meeting as a part of larger presentation on sustainability.

   - **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 G3 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

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   The policy relating to ethics, bribery and corruption covers the Directors and Employees of the Company. The Whistleblower Policy covers the Directors, Employees, Vendors and Customers of the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.***

   The Company received 43 complaints during the Financial Year. Out of these 43 complaints, 41 complaints were resolved & the balance complaints are being resolved.

PRINCIPLE 2

Businesses should provide goods and services that are safe and Contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company has fairly understood its obligations on social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing process of its product (Portland Cement), in a manner taking care of its obligations.

   The Company has deployed best in class technology and processes to manufacture its product 'Portland Cement' which use optimal resources. e.g. the manufacturing process involves use of 6 stage pre-heaters, vertical roller pre-grinder, and advanced technology clinker coolers which are most energy efficient and technologically advanced as on date.

   We also co-process plastic, industrial & hazardous waste from different industries as alternative fuel. The Company also co-processes biomass in its kilns and thermal power plants.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   i. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

      The Company continuously strives its best to reduce the power/LDO Coal and other fuels consumed per unit of cement produced. The details of reduction are as under:

Consumption per unit of Production	Industry Norms	Current Year (Jan to Dec 2013)	Previous Year (Jan to Dec 2012)
Electricity(KWH/T of Cement)	100	80.5	80.9
LDO (Ltr/T of Clinker)	N.A.	0.16	0.15
Coal and other Fuels (K.Cal/Kg of Clinker)	800	735	736

   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.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   i. **If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.***

Ambuja Cements Limited (ACL) seeks to engage in long-term relationships with suppliers that commit to their social responsibility, adhere to international standards such as SA8000 (Social Accountability) and ISO 14001 (Environment Management System) and have systems in place to comply with the local and national laws and regulations. All the 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/ Agreement for sourcing limestone and gypsum. The Company has developed Alternate Fuel and Resources (AFR) to reduce coal and fuel consumption and is increasing the usage of AFR every year.

The Company has established its own Bulk Cement Terminals & owns a fleet of specialised Bulk Cement Carriers for transportation of cement by sea route as a sustainable source of transportation of cement.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company encourages procurement of goods and services from Local and small producers surrounding the place of its plant locations. The Company also trains the vendors to meet the OH & S requirements across all its plant locations.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   We have fly ash generated as waste from our captive power plants which is used in our cement production. The entire fly ash generated [100%] is utilised to produce Portland Pozzolana Cement. (PPC).

PRINCIPLE 3

Businesses should promote the wellbeing of all employees.

1. **Please indicate the Total number of employees:**
   - Management Staff : 4458
   - Blue Collar Employees : 1572
   - **Total : 6030**
2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis :**
   - Total Contractual employees :
     i. 43 – Retainers / Advisors
     ii. 124 - Shipping Sailing Staff
     iii. 2366 – Sub Contracted
     iv. 8306 – Third Party
3. **Please indicate the Number of permanent women employees.**
   - Permanent : 147
   - On Probation : 26
   - **Total 173**
4. **Please indicate the Number of permanent employees with disabilities**
   - Disabilities: 21
5. **Do you have an employee association that is recognized by management.**

   Yes, We have recognised trade unions affiliated to either of INTUC / AITUC / BMS depending on their presence at respective locations representing blue collar employees.
6. **What percentage of your permanent employees is members of this recognized employee association?**

   25% of our permanent employees are members of this recognized employee Association.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S.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	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
   - Permanent Employees : 67% (Considered only Management Staff-Soft skill upgradation).
   - Permanent Women Employees : 53% (Considered only Management Women Staff- Soft skill upgradation)
   - Casual/Temporary/Contractual Employees : 72% (Considered only Management and Wageboard staff of Plants, Grinding Units & Terminals- Safety Training)
   - Employees with Disabilities : 90% (Safety Training)

PRINCIPLE 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes the company has mapped its internal as well as external stakeholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   The company has further identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing sites and its workers/contractual workers and truck drivers.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Several initiatives have been taken to engage with these disadvantaged stakeholders. We now have a formal system namely Site Specific Impact Assessment (SSIA) to engage with all stakeholders at all manufacturing sites and address their concerns.Through its Ambuja Cement Foundation the community is engaged on a regular basis and projects are developed and planned through their participation. Several of the Foundation's projects such as health camps, HIV prevention programmes, non formal education centres, skill training, and work with women are extended also to the Company's contract workers and labourers. Regularised employee engagement survey enables the employees to voice their satisfaction levels. Workers safety is of utmost importance and a culture of safety is brought in not just for company's staff but also workers, truckers etc, through training programmes. All this is also disclosed in our Annual Sustainability report.

PRINCIPLE 5

Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers / Contractors / NGOs / Others?**

   The Company does not have any policy on Human Rights for the time being.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No stakeholder complaints were received during the last Financial year

PRINCIPLE 6

Business should respect, protect, and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   The Corporate Environment Policy is applicable to only Ambuja Cements Limited.

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. The Company has a documented Sustainability Policy duly approved by the Board. The policy enshrines commitment for climate change mitigation. Apart from this, we also have an updated climate change policy. The Company measures & reports its carbon emissions as per Cement Sustainability Initiative [CSI] of the World Business Council on Sustainable Development. The Company proactively discloses its carbon emissions in the annual Carbon Disclosure Project. Further, we also keep our stakeholders informed on our carbon performance through our annual GRI based Sustainability Report. The company has also refurbished its website that contains information on our Sustainability endeavours. [see:www.ambujacement.com].

   The Company has strategies in place to address global warming and to ensure a low carbon growth path for our operations. [see http://www.ambujacement.com/sustainable-development/sustainability/]

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes. The Company regularly assess the environmental risks emanating from our operations and as a part of the sustainability strategy implements initiatives to address these. Additionally, all our operations are certified to international Environment Management System ISO 14001:2004.

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 Programme 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. We are currently pursuing two CDM projects. One is a Program of Activity [PoA] on Smokeless Chulha in Community around our plants.

   The second is Waste Heat Recovery [WHR] based power generation at our unit at Rabriyawas. These projects are in the process of registration with UNFCCC.The WHR CDM projects has been accorded Host Country Approval by the National CDM Authority and has been put up to UNFCCC for registration after successfully undergoing validation by DOE.

   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 energy efficiency & renewable energy. Our renewable energy portfolio includes 7.5 MW Wind energy at Kutch, Gujarat commissioned in 2011 & 330 KV Solar Power at Bhatapara, Chhattisgarh installed in 2012. Additionally, we also co-process industrial waste from other industries in our kilns as alternative fuel. This helps us in reducing the use of coal, necessary for conservation as well as green house gas mitigation. A 6.5 MW waste heat recovery based power generation system is being installed which is expected to be operational in 2014. Besides this, couple of our captive power plants also utilise biomass. In the year 2013, our Ropar unit produced over 25% of its energy from biomass.

   The company monitors its specific thermal & electrical energy consumption and employs measures for improving energy efficiency. Three of our Grinding units and one of the integrated unit at Rabriyawas at Rajasthan have implemented energy management system as per ISO 50001:2011 & attained certification to the international standard.

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 existing emission/waste standards applicable. 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 are being 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 four matters that are pending in different Courts as on the end of Financial Year 2013.

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:**

   a. Confederation of Indian Industry (CII)

   b. Federation of Indian Chambers of Commerce and Industry (FICCI)

   c. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

   d. Bombay Management Association (BMA)

   e. Indian Merchants Chamber (IMC)

   Principal objectives of the above associations are to provide information, consultative and representative services to the organisation. It operates through National / Regional / State and Zonal Councils.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) :**

   Yes we have been closely working with CII and FICCI for advocating good sustainability practices in the Industry.

President Pranab Mukherjee presented the **CII Sustainability Awards 2012 (Commendation Certificate for Significant Achievement on Journey towards Sustainable Development)** to our CEO Ajay Kapur on 14th Jan, 2013.

The second award, 'Commendation on Strong Commitment' was won by the Company's integrated plant in Chandrapur (Maharashtra), the Maratha Cement Works (MCW) for incorporating various factors to implement a dedicated programme within the framework of the triple bottom line objectives.

Ambuja Cement Foundation's water resource management programme works to enhance water and land resources in communities. Ambuja Cement Foundation was adjudged the **winner of FICCI Water Awards – 2013**, under the category **Community Initiative by Industry** on 6th August 2013 in New Delhi. Deputy Chairman, Planning Commission Montek Singh Ahluwalia presented the award to ACF Head & Jt President (CSR) ACL, Pearl Tiwari at a grand felicitation held at the Federation House, New Delhi.

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 very focussed programmes and initiatives. The company has always considered the Community as an extremely important Stakeholder group and since its inception engaged for their development. Our Foundation conducts needs assessment before undertaking projects in our neighbouring Communities. Focus has primarily being on water, livelihood promotion and on the Human Development Index, and compliments the nation's need for inclusive growth. The company through its Site Specific Impact Assessment (SSIA), observe and gauges concerns of employees, contract workers, truckers etc. and works out plan of action to ensure equitable development and inclusive growth.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   Ambuja Cements has a very structured and evolved Foundation called Ambuja Cement Foundation to undertake development work with the neighbouring Communities and other vulnerable stakeholders. All details of work are disclosed through Foundation's annual reports & website (www.ambujacementfoundation.org).

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

   Our work is regularly subject to evaluation and impact assessment. As projects evolve, evaluation studies, both internal and external are undertaken to confirm direction and make course corrections as required. On maturity or completion of projects, impact assessments are done by the reputed external parties. Through these assessments we have seen very positive outcomes and benefits for the people of our area.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   Ambuja Cements Ltd has spent ₹ 52.57 Crores on CSR in 2013. The Company has been working for community development around the Company's manufacturing locations through its community development arm. ACF has been able to garner support from organizations other than ACL, thereby expanding its reach beyond manufacturing sites if required. Today ACF works in 22 locations and 12 states, on various issues including water management, agro-based livelihoods, health, education and infrastructure development. ACF's work in community development is in line with its mission statement "**Energise, involve and enable communities to realize their potential**". Stakeholder engagement is key to all ACF interventions with programmes designed, developed and implemented with direct participation of host communities. A needs assessment is carried through techniques likes participatory rural appraisals involving every community member. ACF's role is to initiate programmes for technical and managerial support, complemented by community's knowledge base. The programmes at ACF are owned by people. Therefore, ACF projects are in complete sync with requirement of the region involving people at every stage of project development.

   As a result of this robust and impactful approach, substantial funding is received from the government and other development funders who view ACF as an implementing organisation for developmental programmes. With this funding, ACF has expanded to regions beyond ACL plants too. Programmes at ACF have the community support, and the required resources in addition to ACL's funding, ensuring wide acceptability and scalable programmes.

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 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. A huge focus has been laid in building capacities within the communities and creating community level committees empowered to manage and maintain projects undertaken. This project has encouraged people's ownership and helped sustain projects.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No customer complaints or consumer cases are pending as on end of the year. The company has set up a system of receiving customer/consumer complaints by a toll free no and a dedicated customer portal. The quality related complaints are attended by a dedicated team of civil engineers called Customer Support Group (CSG).

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The product quality is governed by the Bureau of Indian Standards (BIS).As per the BIS mandate, the product information is displayed on the bag No other label is displayed over and above than the mandated.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

The details of the complaints filed are as under :-

Sr. No.	Particulars	Remarks / Status
1.	The Competition Commission of India issued an Order dated 20th June, 2012, imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002 and imposed a penalty of ₹ 1164 Crores on the Company.	The Company has filed an appeal against the said Order with the appropriate authority, which is pending for disposal.
2	State of Haryana through its Director, Vivek Atray, has filed a complaint to order investigation in the matter of the alleged cartelisation in the tender for supply of cement by some cement companies including Ambuja Cements Ltd.	The Competition Commission of India has issued an investigation order & DG (I&R) will now investigate the matter. The case is pending.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes. The company carried out periodic customer satisfaction and consumer perceptions surveys to fine tune its products and other marketing offerings. These surveys are carried out as per the global standards like Nielsen's Brand Equity Index (BEI), Net Promoter Score (NPS).

Independent Auditor's Report

To the Members of,
Ambuja Cements Limited
Report on the Financial Statements

We have audited the accompanying financial statements of Ambuja Cements Limited ("the Company"), which comprise the Balance Sheet as at 31 December 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;

and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29(A)(I)(b)(iv) to the financial statements, relating to the order of the Competition Commission of India ('CCI'), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹ 1,163.91 crores on the Company. The Company has been advised by external legal counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI, and accordingly, no provision has been considered necessary by the Company in this regard. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
   (e) On the basis of written representations received from the directors as on 31 December 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2013, from being appointed as a director in terms of clause (g) of sub- section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

per Ravi Bansal
Partner
Membership number: 49365
Place of Signature: Mumbai
Date: 6 February 2014

Annexure to the Independent Auditors' Report
Re: Ambuja Cements Limited
Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme for physical verification on a rotational basis, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Accordingly, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain services availed are of a specialized nature for which comparable quotations are not available, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices that are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of cement and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount ** (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand of Excise Duty on clearance of Cement & Others	0.25	1999-2000	CESTAT *
		1.51	1996-2010	CESTAT
	Denial of Cenvat credit on inputs and Capital Goods and interest	16.31	2000-2010	CESTAT
		3.18	2003-2005	CESTAT *
		5.52	2005-2008	Commissioner (A)
		0.45	1994-1997	Commissioner (A) *
		0.75	1993-1996	High Court *
		2.06	1996-1997	Supreme Court *
		0.10	2002-2004	Supreme Court *

Name of the Statute	Nature of Dues	Amount ** (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Demand of Customs Duty and interest	0.20	2006-2007	CESTAT *
		0.07	2000-2009	Deputy Commissioner *
		0.92	2008-2009	CESTAT
		0.01	2011- 2012	Commissioner (A)
		1.36	2000-2001	Deputy Commissioner
Finance Act, 1994 (Service Tax)	Denial of Service Tax Credit on input services	3.37	2005-2010	CESTAT *
		8.52	2005-2010	CESTAT
		0.55	2005-2006	Commissioner (A)
		0.01	2005-2006	High Court*
Central Sales Tax Act, 1956 and various State Sales Tax Act	Demand of Sales Tax / Additional Purchase Tax	20.23	1991-2013	Commissioner
		95.15	2005-2013	High Court
		3.30	1999-2003	Supreme Court *
		10.82	1992-2009	Tribunal
Chhattisgarh Upkar (Sanshodhan Adhiniyam), 2004	Cess on Electricity Generation	16.80	2006-2013	Supreme Court *
Rajasthan Finance Act, 2008	Environment Cess	8.79	2008-2013	High Court
Income Tax Act, 1961	Demand for TDS and interest thereon	5.16	2009-2011	Commissioner (A)

* In respect of these cases the Department is in appeal

** Net of amount deposited

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) The Company has no outstanding dues in respect of financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year. Accordingly, the provisions of clause (xx) of the Order are not applicable to the Company.

(xxi) 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, has been noticed or reported during the year.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

per Ravi Bansal
Partner
Membership number: 49365
Place of Signature: Mumbai
Date: 6 February 2014

Balance Sheet
As at 31st December, 2013

	Note	₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3	309.17		308.44
Reserves and surplus	4	9,176.37		8,496.62
			9,485.54	8,805.06
Non-current liabilities				
Long-term borrowings	5	29.15		34.63
Deferred tax liabilities (net)	6	564.32		548.25
Other long-term liabilities	7	17.58		4.91
Long-term provisions	8	24.80		20.89
			635.85	608.68
Current liabilities				
Trade payables	9.1	974.52		934.54
Other current liabilities	9.2	792.39		655.87
Short-term provisions	8	1,076.29		1,308.93
			2,843.20	2,899.34
TOTAL			12,964.59	12,313.08
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	10	6,062.16		5,861.93
Intangible assets	10	0.37		0.44
Capital work-in-progress (Refer note 51)		694.88		520.12
			6,757.41	6,382.49
Non-current investments	11	104.51		112.01
Long-term loans and advances	12	320.55		287.27
Other non-current assets	13.2	245.08		254.91
			670.14	654.19
Current assets				
Current investments	14	1,683.94		1,543.83
Inventories	15	933.94		983.93
Trade receivables	13.1	231.51		213.37
Cash and bank balances	16	2,341.09		2,253.72
Short-term loans and advances	12	289.41		248.98
Other current assets	13.2	57.15		32.57
			5,537.04	5,276.40
TOTAL			12,964.59	12,313.08
Significant accounting policies	2			

The accompanying notes are integral part of the financial statements.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Mumbai, 6th February, 2014

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman

Rajendra P. Chitale
Chairman-Audit Committee

Paul Hugentobler
Vice Chairman

Nasser Munjee
Director

Omkar Goswami
Director

Bernard Fontana
Director

Shailesh Haribhakti
Director

Haigreve Khaitan
Director

B.L. Taparia
Director

Bernard Terver
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Onne van der Weijde
Managing Director

Statement of Profit and Loss

For the year ended 31st December, 2013

	Note	₹ in crores	2013 ₹ in crores	2012 ₹ in crores
Revenue				
Sale of products (gross) (Refer note 41)		**10,303.20**		10,939.68
Less : Excise duty		**1,216.36**		1,264.74
Sale of products (net)			**9,086.84**	9,674.94
Other operating revenues	**17**		**73.51**	55.36
Revenue from operations (net)			**9,160.35**	9,730.30
Other income	**18**		**393.62**	348.87
Total revenue			**9,553.97**	10,079.17
Expenses				
Cost of raw materials consumed	**19**		**646.17**	671.76
Purchase of Stock-in-Trade			**0.71**	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	**20**		**118.33**	(200.83)
Employee benefits expense	**21**		**502.41**	478.51
Power and fuel (Refer note 47)			**2,062.92**	2,329.07
Freight and forwarding expenses	**22**		**2,361.77**	2,275.85
Finance costs	**23**		**65.08**	75.66
Depreciation and amortisation expense	**24**		**490.07**	565.22
Other expenses	**25**		**1,824.14**	1,709.68
			8,071.60	7,904.92
Self consumption of cement (net of excise duty ₹ 0.83 crore; previous year - ₹ 0.71 crore)			**(6.93)**	(6.71)
Total expenses			**8,064.67**	7,898.21
Profit before exceptional items and tax			**1,489.30**	2,180.96
Exceptional items	**26**		**(24.82)**	279.13
Profit before tax			**1,514.12**	1,901.83
Tax expense :				
For the current year				
Current tax		**430.00**		702.00
Deferred tax (credit) / charge		**30.30**		(95.35)
		460.30		606.65
Relating to earlier years				
Current tax (Refer note 49 (b))		**(226.52)**		(1.88)
Deferred tax (credit)		**(14.23)**		-
		(240.75)		(1.88)
			219.55	604.77
Profit for the year			**1,294.57**	1,297.06

	Note	2013 ₹	2012 ₹
Earnings per equity share of ₹ 2 each	**27**		
Basic		**8.39**	8.43
Diluted		**8.37**	8.41
Significant accounting policies	**2**		

The accompanying notes are integral part of the financial statements.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Mumbai, 6th February, 2014

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman

Rajendra P. Chitale
Chairman-Audit Committee

Paul Hugentobler
Vice Chairman

Nasser Munjee
Director

Omkar Goswami
Director

Bernard Fontana
Director

Shailesh Haribhakti
Director

Haigreve Khaitan
Director

B.L. Taparia
Director

Bernard Terver
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Onne van der Weijde
Managing Director

Cash Flow Statement

For the year ended 31st December, 2013

		2013	2012
	₹ in crores	₹ in crores	₹ in crores
Cash flows from operating activities			
Profit before tax		**1,514.12**	1,901.83
Adjustment for :			
Depreciation / amortisation	**490.07**		565.22
Depreciation / amortisation (exceptional item) (Refer note 50)	**-**		279.13
Profit on sale of fixed assets	**(2.20)**		(1.71)
Profit on sale of residential flats (exceptional item)	**(24.82)**		-
Loss on assets sold, discarded and written off	**11.40**		8.82
Capital spares consumed	**0.62**		0.40
Deferred revenue expenditure, written off	**-**		0.27
Profit on sale of current investments	**(111.39)**		(71.89)
Finance costs	**65.08**		75.66
Interest income	**(217.88)**		(233.96)
Interest on income tax written back (Refer note 49 (a))	**(32.19)**		-
Provision for slow and non moving spares	**11.02**		(0.15)
Discounting income on sales tax loan	**(13.41)**		(15.96)
Sales tax loan liability written back on assessment	**(0.04)**		(0.04)
Unrealised exchange (gain) / loss, net	**(1.83)**		(0.22)
Provisions no longer required	**(30.93)**		(19.78)
Inventories written off	**5.69**		18.39
Bad debts, sundry debit balances and claims written off	**2.43**		1.56
Provision for doubtful debts and advances (net) (Refer note 46)	**-**		31.73
		151.62	637.47
Operating profit before working capital changes		**1,665.74**	2,539.30
Adjustment for :			
Trade receivables, loans & advances and other assets	**(62.93)**		(41.61)
Inventories	**33.28**		(77.20)
Trade payables, other liabilities and provisions	**74.29**		76.87
		44.64	(41.94)
Cash generated from operations		**1,710.38**	2,497.36
Direct taxes paid (net of refunds ₹ 264.11 crores; previous year - ₹ 360.27 crores)		**(510.14)**	(639.87)
Net cash flow from operating activities (A)		**1,200.24**	1,857.49
Cash flows from investing activities			
Purchase of fixed assets, including capital work in progress and capital advances	**(724.79)**		(691.51)
Proceeds from sale of fixed assets	**36.40**		4.77
Investment in subsidiaries	**-**		(15.96)
Proceeds from investment in joint venture	**15.00**		-
Investment in joint venture	**(7.50)**		(0.68)
Inter corporate deposits and loans given to subsidiaries	**(28.18)**		(5.56)
Payment received against loans given to subsidiaries	**2.50**		1.00
Proceeds from sale / maturity of current investments	**111.39**		71.89
Unclaimed sale proceeds of the odd lot shares of erstwhile Ambuja Cement Eastern Limited (ACEL) and Ambuja Cements Rajasthan Limited (ACRL)	**(0.01)**		(0.01)
Investments in bank deposits (having original maturity of more than three months)	**(138.79)**		(23.03)
Redemption / maturity of bank deposits (having original maturity of more than three months)	**10.23**		10.01
Interest received	**217.60**		205.79
Interest received on Income tax	**32.58**		50.62
Net cash flow used in investing activities (B)		**(473.57)**	(392.67)
Carried forward		**726.67**	1,464.82

Cash flow statement *(Contd.)*

	₹ in crores	2013 ₹ in crores	2012 ₹ in crores
Brought forward		**726.67**	1,464.82
Cash flows from financing activities			
Proceeds from issuance of equity share capital (including securities premium)	**36.80**		83.07
Proceeds from long-term borrowings	**5.86**		-
Repayment of long-term borrowings	**(8.14)**		(6.52)
Discounting income on sales tax loan	**13.41**		15.96
Interest paid	**(26.96)**		(27.54)
Subsidy received	**-**		0.30
Dividend paid on equity shares	**(554.94)**		(489.94)
Tax on equity dividend paid	**(91.79)**		(79.76)
Net cash flow used in financing activities (C)		**(625.76)**	(504.43)
Net increase in cash and cash equivalents (A + B + C)		**100.91**	960.39
Cash and cash equivalents at the end of the year		**3,960.67**	3,859.76
Cash and cash equivalents at the beginning of the year		**3,859.76**	2,899.37
		100.91	960.39
Components of cash and cash equivalents			
Cash on hand		**0.28**	0.34
Remittance in transit		**5.69**	-
With banks			
In current account		**137.55**	132.21
In deposit account		**2,010.25**	2,061.00
Fixed deposit held as security		**164.36**	37.79
Earmarked for specific purposes (Refer note 3 below)		**22.96**	22.38
Cash and bank balance as per note 16		**2,341.09**	2,253.72
Less : Fixed deposits not considered as cash and cash equivalents		**(164.36)**	(37.79)
Add : Deposits with Housing Development Finance Corporation Limited		**100.00**	100.00
Add : Investment in mutual funds		**1,683.94**	1,543.83
Cash and cash equivalents at the year end		**3,960.67**	3,859.76

Notes :

1) Figures in brackets represent cash outflow.
2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3) These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL.

Significant accounting policies - Note 2

The accompanying notes are integral part of the financial statements.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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Haigreve Khaitan
Director

B.L. Taparia
Director

Bernard Terver
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Onne van der Weijde
Managing Director

Mumbai, 6th February, 2014

Notes to Financial Statements

1 Basis of Preparation of Financial Statements :

i. The financial statements have been prepared in compliance with all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, read with General Circular No.15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

ii. Financial statements are based on historical cost and are prepared on accrual basis.

iii. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

iv. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

2 Significant Accounting Policies :

a) Fixed Assets :

i. Fixed Assets are stated at their original cost of acquisition / installation (net of Modvat / Cenvat credit availed), net of accumulated depreciation, amortisation and impairment losses, except freehold non-mining land which is carried at cost less impairment losses.

ii. Capital work in progress is stated at the amount expended up to the date of Balance Sheet.

iii. Machinery spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost net of Modvat / Cenvat.

iv. Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of qualifying fixed assets) incurred on projects under implementation are treated as Pre-operative expenses, pending allocation to the assets, and are included under Capital work-in-progress. These expenses are apportioned to fixed assets on commencement of commercial production.

b) Depreciation and Amortisation :

I. Tangible Assets :

i. Premium on leasehold land is amortised over the period of lease.

ii. Depreciation on assets, other than Vehicles and Captive Power Plant related assets consisting of Building, Plant & Machinery and Electric Installation (CPP assets), is provided on the "Straight Line Method" in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, and on Vehicles and CPP assets on the "Written Down Value Method" in accordance with the provisions of Section 205(2)(a) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956, except in respect of certain assets at higher rates consequent to management estimate of useful life. Continuous process plants are identified based on technical assessment and depreciated at the specified rate as per Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of acquisition or installation,and in the case of a new project, from the date of commencement of commercial production.

Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

iii. Machinery spares, which are capitalized, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged to the statement of profit and loss,on issue for consumption.

iv. Cost of mineral reserve 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.

v. Fixed assets, constructed by the Company, but ownership of which vests with the Government / Local Authorities :

a) Expenditure on Power lines is depreciated over the period as permitted in the Electricity Supply Act, 1948 / 2003 as applicable.

b) Expenditure on Marine structures is depreciated over the period of agreement.

c) Expenditure on other fixed assets is depreciated at the rate of depreciation specified in Schedule XIV to the Companies Act, 1956.

II. Intangible Assets :

i. Expenditure to acquire Water drawing rights from Government / Local Authorities / other parties is amortised on straight line method over the period of rights to use the facilities ranging from ten to thirty years.

ii. Expenditure on Computer software is amortised on straight line method over the period of expected benefit not exceeding five years.

c) Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.

d) Investments :

i. Recognition and Measurement

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However,provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

ii. Presentation and Disclosure

Investments, which are readily realisable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

e) Inventories :

Inventories are valued as follows

i. Coal, fuel, packing materials, raw materials, stores and spares :

Lower of cost less provision for slow and non-moving inventory, if any, and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

ii. Work-in-progress, finished goods, stock in trade and trial run inventories :

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. 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.

f) Provisions / Contingencies :

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

g) Foreign Currency Conversion :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

h) Revenue recognition :

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Accordingly, domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of date of Bill of Lading. Sales are disclosed net of sales tax / value added tax, discounts and sales returns, as applicable. Sales exclude self-consumption of cement.

ii. Sales include the amount of subsidy due in accordance with the respective incentive schemes.

iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when right to receive is established by the Balance Sheet date.

i) Mines Reclamation Expenses :

The Company provides for the expenses to reclaim 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.

j) 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 plan and the same is charged to the statement of profit and loss for the year when the contributions to the respective funds are due.

ii. Defined Benefit Plan

Retirement benefits in the form of gratuity, post-retirement medical benefit and death & disability benefit are considered as defined benefit obligations and 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 recognised in the statement of profit and loss.

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 as and when the contribution is due. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.

iii. Other long-term 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.

k) Employee Stock Compensation cost :

The Company measures compensation cost relating to employee stock option using the fair value method. Discount on Equity Shares as compensation expenses under the Employee Stock Option Scheme, is amortised in accordance with Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India.

l) Borrowing Costs and Share Issue Expenses :

i. Borrowing cost attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use.

ii. Expenses on issue of Shares, Debentures and Bonds as well as Premium on Redemption of Debentures are adjusted to Securities Premium Account in accordance with Section 78 of the Companies Act, 1956.

iii. Borrowing cost such as discount or premium and ancillary costs in connection with arrangement of borrowings are amortised over the period of borrowings.

iv. Other borrowing costs are charged as expense in the year in which these are incurred.

m) Taxation :

Tax expense comprises of current income and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 reasonably certain 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.

n) Leases :

Where the Company is the lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor :

i. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

ii. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

o) Segment Reporting Policies :

i. Identification of segments

The Company has only one business segment 'Cementitious Materials' as its primary segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

ii. Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Cash and Bank Balances :

i. Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash on hand.

ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash on hand and short-term investments with an original maturity of three months or less.

q) Government Grants and Subsidies :

i. Grants and subsidies from the Government are recognised when there is reasonable certainty that the grant / subsidy will be received and all attaching conditions will be complied with.

ii. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

iii. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

iv. Government grants in the nature of Promoters' contribution are credited to capital reserve and treated as a part of Shareholders' Funds.

r) Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
3 Share capital		
Authorised		
2,500,000,000 (previous year - 2,500,000,000) Equity shares of ₹ 2 each	**500.00**	500.00
150,000,000 (previous year - 150,000,000) Preference shares of ₹ 10 each	**150.00**	150.00
Total	**650.00**	650.00
Issued		
1,546,186,806 (previous year - 1,542,510,956) Equity shares of ₹ 2 each fully paid-up	**309.24**	308.51
Subscribed and fully paid up		
1,545,860,286 (previous year - 1,542,184,436) Equity shares of ₹ 2 each fully paid-up	**309.17**	308.44

Additional information :

	As at 31.12.2013		As at 31.12.2012	
	No. of shares	₹ in crores	No. of shares	₹ in crores
a) Reconciliation of equity shares outstanding				
At the beginning of the year	**1,542,184,436**	**308.44**	1,534,369,261	306.87
Add : Issued against Employee Stock Option Schemes (ESOS)	**3,675,850**	**0.73**	7,815,175	1.57
At the end of the year	**1,545,860,286**	**309.17**	1,542,184,436	308.44

b) Rights, preferences and restrictions attached to equity shares

The Company has 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 equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
c) Equity shares held by holding company, ultimate holding company and their subsidiaries		
i) Holderind Investments Limited, Mauritius (HIL), the holding company (Refer note 52)		
629,638,433 (previous year - 629,638,433) Equity shares of ₹ 2 each fully paid-up	**125.93**	125.93
ii) Holcim India Private Limited (HIPL), a fellow subsidiary (Refer note 52)		
150,670,120 (previous year - 150,670,120) Equity shares of ₹ 2 each fully paid-up	**30.13**	30.13

	As at 31.12.2013		As at 31.12.2012	
	No. of shares	% holding	No. of shares	% holding
d) Details of equity shares held by shareholders holding more than 5% shares in the Company				
i) Holderind Investments Limited, Mauritius (Refer note 52)	**629,638,433**	**40.73%**	629,638,433	40.83%
ii) Holcim India Private Limited (Refer note 52)	**150,670,120**	**9.75%**	150,670,120	9.77%
iii) Life Insurance Corporation of India	**92,665,449**	**5.99%**	67,525,555	4.38%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

e) Outstanding employee stock options exercisable into 6,381,625 (previous year - 10,165,025) equity shares of ₹ 2 each fully paid up (Refer note 32 (b)).

f) Outstanding tradable warrants and right shares kept in abeyance exercisable into 186,690 (previous year - 186,690) and 139,830 (previous year - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

		₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
4.	**Reserves and surplus**			
	Subsidies :			
	a) Cash subsidies from Government and other authorities			
	Balance as per the last financial statements	**4.90**		4.60
	Addition during the year, as capital investment subsidy from State Government	**-**		0.30
		4.90		4.90
	b) Grant-in-aid subsidy from DANIDA	**0.12**		0.12
			5.02	5.02
	Capital reserve		**130.71**	130.71
	Capital redemption reserve		**9.93**	9.93
	Securities premium account :			
	Balance as per the last financial statements	**1,385.15**		1,295.86
	Add : Employee stock options exercised during the year	**36.07**		81.50
	Add : Transferred from employee stock options outstanding	**5.52**		7.79
			1,426.74	1,385.15
	Employee stock options outstanding :			
	Balance as per the last financial statements	**23.86**		32.11
	Less : Transferred to securities premium account on exercise of employee stock options	**5.52**		7.79
	Less : Transferred to general reserve on lapse of employee stock options	**0.07**		0.46
			18.27	23.86
	General reserve :			
	Balance as per the last financial statements	**6,204.94**		6,004.48
	Add : Transferred from surplus balance in the statement of profit and loss	**150.00**		200.00
	Add : Transferred from employee stock options outstanding for lapsed employee stock options	**0.07**		0.46
			6,355.01	6,204.94
	Surplus in the statement of profit and loss :			
	Balance as per the last financial statements	**737.01**		284.75
	Profit for the year	**1,294.57**		1,297.06
	Less : Appropriations			
	Interim equity dividend ₹ 1.40 per equity share (previous year - ₹ 1.40 per equity share)	**(216.25)**		(215.52)
	Tax on interim equity dividend	**(36.75)**		(34.96)
	Proposed final equity dividend ₹ 2.20 per equity share (previous year - ₹ 2.20 per equity share) (Refer note 38)	**(340.09)**		(339.28)
	Tax on proposed final equity dividend	**(57.80)**		(55.04)
	Transfer to general reserve	**(150.00)**		(200.00)
		(800.89)		(844.80)
			1,230.69	737.01
	Total		**9,176.37**	8,496.62

		Non-current		Current	
		As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
5.	**Long-term borrowings**				
	Secured				
	Interest free loan from State Government*	**5.86**	-	**-**	-
	Unsecured				
	Sales tax deferment loan**	**23.29**	34.63	**11.33**	8.18
	Total	**29.15**	34.63	**11.33**	8.18
	Less : Amount disclosed under the head "Other current liabilities" (Refer note 9.2)	**-**	-	**(11.33)**	(8.18)
	Total	**29.15**	34.63	**-**	-

* Secured by bank guarantee and is repayable on 27th February 2020.

** Sales tax deferment loan is interest free and payable in 10 annual installments starting from April 2007 to April 2016 of varying amounts from ₹ 1.52 crores to ₹ 13.23 crores.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
6. Deferred tax liabilities (net)		
Deferred tax liabilities, on account of :		
Depreciation and amortisation	**694.52**	655.03
	694.52	655.03
Deferred tax assets, on account of :		
Employee benefits	**30.32**	27.14
Provision for slow and non moving spares	**26.71**	21.93
Others	**73.17**	57.71
	130.20	106.78
Net deferred tax liabilities	**564.32**	548.25
7. Other long-term liabilities		
Trade payables	**13.25**	-
Liability for capital expenditure	**4.33**	4.91
Total	**17.58**	4.91

	Long-term		Short-term	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
8. Provisions				
Provision for employee benefits				
Provision for gratuity and staff benefit schemes	**12.02**	9.26	**0.27**	0.10
Provision for compensated absences	**-**	-	**69.29**	67.57
	12.02	9.26	**69.56**	67.67
Other provisions				
Provision for wealth tax, net of advances	**-**	-	**0.34**	0.36
Provision for Income tax, net of advances (including interest thereon)	**-**	-	**605.93**	845.32
Provision for mines reclamation expenses*	**12.78**	11.63	**2.57**	1.26
Proposed equity dividend	**-**	-	**340.09**	339.28
Provision for tax on proposed equity dividend	**-**	-	**57.80**	55.04
	12.78	11.63	**1,006.73**	1,241.26
Total	**24.80**	20.89	**1,076.29**	1,308.93

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
* Movement during the year		
Opening balance	**12.89**	11.28
Add : Provision during the year	**3.47**	2.87
	16.36	14.15
Less : Utilisation during the year	**1.01**	1.26
Closing balance	**15.35**	12.89

Mines reclamation expenses are incurred on an ongoing basis and until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
9. Trade payables and other current liabilities		
9.1 Trade payables		
Trade payables (Refer note 40 for details of dues to micro and small enterprises)	**974.52**	934.54
Total	**974.52**	934.54
9.2 Other current liabilities		
Current maturities of long-term borrowing	**11.33**	8.18
Unclaimed dividends*	**20.34**	19.75
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL*	**2.62**	2.63
Liability for capital expenditure	**161.42**	60.52
Security deposits	**275.03**	243.21
Interest payable	**27.89**	21.99
Advance received from customers	**60.11**	67.67
Excise duty payable	**89.69**	96.93
Service tax payable	**6.03**	5.05
Tax deducted at source payable	**8.82**	8.68
Sales tax payable	**107.00**	108.71
Others	**22.11**	12.55
Total	**792.39**	655.87
Total	**1,766.91**	1,590.41

* Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates.

10. Tangible and Intangible assets

₹ in crores

	Tangible assets															Intangible assets		
	Freehold non mining land	Freehold mining land	Leasehold land	Buildings, roads and water works (a)	Marine structures (b)	Plant and machinery (c)	Electrical installations	Railway sidings and locomotives (d)	Railway wagons given on lease (e)	Furniture and fixtures	Office equipment	Ships	Vehicles	Power lines (f)	Total	Water drawing rights	Computer software	Total
Gross carrying value, at cost																		
Opening as on 1st January, 2012	286.81	223.68	119.84	1,315.52	95.58	6,326.51	644.29	65.83	6.43	39.15	103.72	250.50	56.24	100.94	9,635.04	6.16	61.09	67.25
Additions	28.49	37.74	6.83	81.89	-	313.08	26.98	0.41	-	2.85	10.00	0.38	23.61	-	532.26	-	-	-
Deductions / Transfers	0.12	-	-	0.26	-	37.32	4.10	-	-	0.88	4.03	-	4.17	0.04	50.92	-	-	-
As at 31st December, 2012	315.18	261.42	126.67	1,397.15	95.58	6,602.27	667.17	66.24	6.43	41.12	109.69	250.88	75.68	100.90	10,116.38	6.16	61.09	67.25
Additions	**17.83**	**102.39**	**1.93**	**187.05**	**-**	**323.80**	**31.59**	**11.69**	**-**	**3.11**	**18.62**	**0.85**	**9.81**	**0.84**	**709.51**	**-**	**-**	**-**
Deductions / Transfers	**1.18**	**0.76**	**-**	**5.31**	**-**	**42.95**	**1.65**	**-**	**-**	**0.86**	**6.62**	**-**	**7.62**	**-**	**66.95**	**-**	**-**	**-**
As at 31st December, 2013	**331.83**	**363.05**	**128.60**	**1,578.89**	**95.58**	**6,883.12**	**697.11**	**77.93**	**6.43**	**43.37**	**121.69**	**251.73**	**77.87**	**101.74**	**10,758.94**	**6.16**	**61.09**	**67.25**
Depreciation / amortisation																		
Opening as on 1st January, 2012	-	-	11.84	198.13	55.91	2,722.76	219.58	30.00	4.53	24.14	52.28	86.30	31.83	13.13	3,450.43	5.57	59.83	65.40
Charge for the year (g)	-	31.23	3.58	75.54	3.82	610.22	70.11	2.92	0.31	2.35	15.58	11.49	9.14	7.09	843.38	0.22	1.19	1.41
Deductions / Transfers	-	-	-	0.08	-	29.09	2.86	-	-	0.81	3.29	-	3.21	0.02	39.36	-	-	-
As at 31st December, 2012	-	31.23	15.42	273.59	59.73	3,303.89	286.83	32.92	4.84	25.68	64.57	97.79	37.76	20.20	4,254.45	5.79	61.02	66.81
Charge for the year (g)	**-**	**5.14**	**1.76**	**38.87**	**3.82**	**361.45**	**35.22**	**3.48**	**0.31**	**2.10**	**11.75**	**10.78**	**11.73**	**3.89**	**490.30**	**0.02**	**0.05**	**0.07**
Deductions / Transfers	**-**	**0.23**	**-**	**1.49**	**-**	**31.90**	**1.30**	**-**	**-**	**0.66**	**5.51**	**-**	**6.88**	**-**	**47.97**	**-**	**-**	**-**
As at 31st December, 2013	**-**	**36.14**	**17.18**	**310.97**	**63.55**	**3,633.44**	**320.75**	**36.40**	**5.15**	**27.12**	**70.81**	**108.57**	**42.61**	**24.09**	**4,696.78**	**5.81**	**61.07**	**66.88**
Net carrying value																		
As at 31st December, 2012	315.18	230.19	111.25	1,123.56	35.85	3,298.38	380.34	33.32	1.59	15.44	45.12	153.09	37.92	80.70	5,861.93	0.37	0.07	0.44
As at 31st December, 2013	**331.83**	**326.91**	**111.42**	**1,267.92**	**32.03**	**3,249.68**	**376.36**	**41.53**	**1.28**	**16.25**	**50.88**	**143.16**	**35.26**	**77.65**	**6,062.16**	**0.35**	**0.02**	**0.37**

Notes :

(a) Includes :

i) Premises on ownership basis of ₹ 101.10 crores (previous year - ₹ 102.91 crores) and ₹ 13.12 crores (previous year - ₹ 11.17 crores) being the depreciation thereon upto 31st December, 2013 and cost of shares in co-operative societies are ₹ 12,630 (previous year - ₹ 12,630).

ii) ₹ 23.54 crores (previous year - ₹ 23.81 crores) being cost of roads constructed by the Company, ownership of which vests with the Government / Local Authorities and ₹ 2.73 crores (previous year - ₹ 2.12 crores) being the depreciation thereon upto 31st December, 2013.

(b) Cost incurred by the Company, ownership of which vests with the State Maritime Boards.

(c) Includes ₹ 38.38 crores (previous year - ₹ 34.55 crores) being cost of bulkers and tippers used as material handling equipment, which are being depreciated under the "written down value method" at the rate applicable to vehicles and ₹ 29.35 crores (previous year - ₹ 26.40 crores) being the depreciation thereon upto 31st December, 2013.

(d) Includes ₹ 12.18 crores (previous year - ₹ 10.08 crores) being cost of railway sidings constructed by the Company, ownership of which vests with the Railway authorities and ₹ 3.88 crores (previous year - ₹ 3.31 crores) being the depreciation thereon upto 31st December, 2013.

(e) Railway wagons given on lease to the railway under "Own Your Wagon Scheme".

(f) Cost incurred by the Company, ownership of which vests with the State Electricity Boards.

(g) i) Include ₹ 0.30 crore (previous year - ₹ 0.44 crore) capitalised as pre-operative expenses and exceptional item of ₹ Nil (previous year - ₹ 279.13 crores).

ii) Depreciation expense includes credit of ₹ 10.84 crores for the year ended 31st December, 2013 and includes a charge of ₹ 27.91 crores for the year ended 31st December, 2012 in respect of earlier years.

Notes to Financial Statements *(Contd.)*

		₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
11.	**Non-Current Investments**			
	Unquoted			
	Trade investments (valued at cost, unless stated otherwise)			
	Investment in subsidiaries			
	In fully paid equity shares			
100,000	(100,000) equity shares of ₹ 10 each in Kakinada Cements Limited ..	**0.10**		0.10
749,990	(749,990) equity shares of ₹ 10 each in M.G.T. Cements Private Limited	**3.05**		3.05
5,139,990	(5,139,990) equity shares of ₹ 10 each in Chemical Limes Mundwa Private Limited	**6.47**		6.47
2,029,135	(2,029,135) equity shares of Nepali Rs. 100 each in Dang Cement Industries Private Limited	**24.75**		24.75
1,660,306	(1,660,306) equity shares of ₹ 10 each in Dirk India Private Limited (Refer note 45)	**21.81**		21.81
			56.18	56.18
	Investment in joint ventures (Refer note 42)			
	In fully paid equity shares			
4,010,002	(4,010,002) equity shares of ₹ 10 each in Counto Microfine Products Private Limited	**10.00**		10.00
1,227,150	(1,227,150) equity shares of ₹ 10 each in Wardha Vaalley Coal Field Private Limited	**1.23**		1.23
			11.23	11.23
	In fully paid preference shares			
-	(15,000,000) 6.50% redeemable cumulative preference shares of ₹ 10 each in Counto Microfine Products Private Limited		**-**	15.00
7,500,000	(-)13% compulsorily convertible preference shares of ₹ 10 each in Counto Microfine Products Private Limited		**7.50**	-
	Other investments (valued at cost, unless stated otherwise)			
	Government and trust securities			
	National savings certificate ₹ 36,500 (previous year - ₹ 31,500) deposited with Government department as security			
	Equity shares			
	In fully paid equity shares			
1,000,000	(1,000,000) equity shares of ₹ 10 each in Gujarat Goldcoin Ceramics Limited	**1.00**		1.00
	Less : Provision for diminution in value of investment	**1.00**		1.00
			-	-
	Public sector bonds			
296	(296) 5.13% taxable redeemable bonds of ₹ 1,000,000 each of Himachal Pradesh Infrastructure Development Bonds (Refer note 29 (B))		**29.60**	29.60
	Total		**104.51**	112.01

	Book value as at 31.12.2013 ₹ in crores	Book value as at 31.12.2012 ₹ in crores
Aggregate amount of unquoted investments	**105.51**	113.01
Less : aggregate provision for diminution in value of investments	**1.00**	1.00
Total	**104.51**	112.01

	Non-current As at 31.12.2013 ₹ in crores	Non-current As at 31.12.2012 ₹ in crores	Current As at 31.12.2013 ₹ in crores	Current As at 31.12.2012 ₹ in crores
12. Loans and advances				
Unsecured, considered good				
Capital advances	**142.00**	161.18	**-**	-
Security deposit	**60.76**	64.38	**-**	-
Inter corporate deposits, loans and advances to related parties (Refer note 30(2)(A)(8), 30(2)(C)(7) and 45)	**14.82**	7.50	**21.06**	2.50
Deposit given to Housing Development Finance Corporation Limited	**-**	-	**100.00**	100.00
Advances recoverable in cash or kind	**0.39**	3.18	**85.90**	61.54
Other loans and advances				
Balances with Statutory / Government authorities	**26.01**	10.31	**64.06**	67.39
Loans to employees	**1.36**	1.53	**4.34**	3.57
Prepaid expenses	**31.48**	31.37	**14.05**	13.98
Income tax advances (net of provisions)	**43.73**	7.82	**-**	-
Carried forward	**320.55**	287.27	**289.41**	248.98

Notes to Financial Statements *(Contd.)*

	Non-current		Current	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
12. Loans and advances *(Contd.)*				
Brought forward	**320.55**	287.27	**289.41**	248.98
Unsecured, considered doubtful				
Capital advances	**2.61**	3.21	**-**	-
Advances recoverable in cash or kind	**-**	-	**8.58**	9.26
	2.61	3.21	**8.58**	9.26
Less : Provision for doubtful advances	**(2.61)**	(3.21)	**(8.58)**	(9.26)
Total	**320.55**	287.27	**289.41**	248.98
13 Trade receivable and other assets				
13.1 Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	**-**	-	**0.37**	0.47
Unsecured, considered good	**-**	-	**3.15**	1.31
Unsecured, considered doubtful	**-**	-	**5.93**	7.40
	-	-	**9.45**	9.18
Less : Provision for doubtful receivables	**-**	-	**(5.93)**	(7.40)
	-	-	**3.52**	1.78
Others				
Secured, considered good	**-**	-	**104.27**	83.35
Unsecured, considered good	**-**	-	**123.72**	128.24
	-	-	**227.99**	211.59
Total	**-**	-	**231.51**	213.37
13.2 Other assets				
Unsecured, considered good				
Incentives receivable under State Government incentive schemes	**235.07**	246.89	**30.11**	1.62
Non-current bank balance (Refer note 16)	**10.01**	8.02	**-**	-
Interest accrued on fixed deposit	**-**	-	**20.31**	22.91
Interest accrued on investments	**-**	-	**1.02**	1.02
Interest accrued on loan to subsidiary	**-**	-	**2.36**	0.74
Scrapped assets awaiting disposal (at net book value or estimated net realisable value whichever is less)	**-**	-	**0.69**	0.82
Others	**-**	-	**2.66**	5.46
	245.08	254.91	**57.15**	32.57
Unsecured, considered doubtful				
Incentives receivable under State Government incentive schemes	**31.84**	31.84	**-**	-
Less : Provision	**(31.84)**	(31.84)	**-**	-
	-	-	**-**	-
Total	**245.08**	254.91	**57.15**	32.57

	As at 31.12.2013		As at 31.12.2012	
	Numbers	**₹ in crores**	Numbers	₹ in crores
14. Current investments				
(valued at lower of cost and fair value, unless stated otherwise)				
Unquoted mutual funds, fully paid-up :				
Unit of Face Value ₹ 10 each				
HDFC Liquid Fund - Direct Plan - Growth Option	**54,700,233.975**	**131.79**	-	-
HDFC Liquid Fund - Growth	**-**	**-**	41,677,278.063	93.80
JP Morgan India Liquid Fund - Direct Plan - Growth	**28,754,309.668**	**44.62**	-	-
JP Morgan India Liquid Fund - Super Institutional Growth Plan	**-**	**-**	35,287,378.687	51.68
JM High Liquidity Fund (Direct) - Growth Option	**19,348,321.638**	**63.33**	-	-
JM High Liquidity Fund - Growth	**-**	**-**	14,478,163.766	45.00
Kotak Liquid Scheme Plan A - Growth	**-**	**-**	22,887,384.547	51.47
Carried forward		**239.74**		241.95

Notes to Financial Statements *(Contd.)*

	As at 31.12.2013 Numbers	As at 31.12.2013 ₹ in crores	As at 31.12.2012 Numbers	As at 31.12.2012 ₹ in crores
14. Current investments *(Contd.)*				
Brought forward		**239.74**		241.95
Unit of Face Value ₹ 100 each				
Birla Sun Life Cash Plus - Growth - Regular Plan	-	-	5,410,198.741	97.62
Birla Sun Life Cash Plus - Growth - Direct Plan	**6,775,154.225**	**134.18**	-	-
DWS Insta Cash Plus Fund - Direct Plan - Growth	**7,022,995.717**	**110.83**	-	-
DWS Insta Cash Plus Fund - Super Institutional Plan Growth	-	-	6,873,009.673	101.18
ICICI Prudential Liquid - Direct Plan - Growth	**7,643,130.641**	**137.32**	-	-
ICICI Prudential Liquid Plan - Growth	-	-	6,557,648.159	109.06
Unit of Face Value ₹ 1,000 each				
Axis Liquid Fund - Direct Growth	**559,251.843**	**75.35**	-	-
Axis Liquid Fund - Growth	-	-	863,082.574	108.97
Baroda Pioneer Liquid Fund - Plan B- Growth	**498,708.187**	**67.65**	-	-
Baroda Pioneer Liquid Fund - Growth	-	-	622,543.004	79.21
Canara Robeco Liquid - Direct Growth	**139,428.577**	**20.00**	-	-
Canara Robeco Liquid Fund - Regular Growth	-	-	153,518.589	20.00
DSP Black Rock Liquidity Fund - Direct Plan - Growth	**408,896.395**	**71.46**	-	-
DSP Black Rock Liquidity Fund - Institutional Plan - Growth	-	-	394,273.636	63.36
IDBI Liquid Fund - Growth Plan	-	-	599,050.541	71.44
IDBI Liquid Fund - Direct Plan - Growth	**363,940.903**	**47.05**	-	-
IDFC Cash Fund - Regular Plan - Growth	-	-	679,019.930	93.69
IDFC Cash Fund - Growth - (Direct Plan)	**623,428.644**	**94.04**	-	-
Kotak Liquid Scheme Plan A - Direct Plan - Growth	**312,981.369**	**75.87**	-	-
L&T Liquid - Growth	-	-	195,370.228	30.00
L&T Liquid Fund Direct Plan - Growth	**336,951.561**	**56.00**	-	-
Principal Cash Management Fund - Direct Plan Growth	**243,712.516**	**28.00**	-	-
Principal Cash Management Fund - Regular Plan - Growth option	-	-	144,162.428	25.00
Reliance Liquidity Fund - Direct Growth Plan Growth Option	**691,921.939**	**128.33**	-	-
Reliance Liquidity Fund - Growth Option	-	-	714,420.195	122.49
Religare Invesco Liquid Fund - Direct Plan - Growth	**423,419.414**	**69.84**	-	-
Religare Liquid Fund - Growth	-	-	528,783.265	81.93
SBI Premier Liquid Fund - Regular Plan - Growth	-	-	708,527.949	124.75
SBI Premier Liquid Fund - Direct Plan - Growth	**536,664.546**	**104.71**	-	-
Tata Liquid Fund Plan A - Growth	-	-	263,768.772	54.23
Tata Liquid Fund Direct Plan - Growth	**417,733.981**	**93.50**	-	-
UTI Liquid Cash Plan Institutional - Growth Option	-	-	644,751.137	118.95
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	**642,109.790**	**130.07**	-	-
Total		**1,683.94**		1,543.83

	Book value as at 31.12.2013 ₹ in crores	Book value as at 31.12.2012 ₹ in crores
Aggregate amount of unquoted investments	**1,683.94**	1,543.83
Total	**1,683.94**	1,543.83

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
15. Inventories		
(At cost, less provision for slow and non moving inventory or net realisable value whichever is lower)		
Raw materials (including in transit - ₹ 0.70 crore; previous year - ₹ 2.08 crores)	**54.12**	53.81
Work-in-progress	**223.53**	303.04
Finished goods	**105.81**	144.99
Stock-in-Trade (including in transit - ₹ 0.36 crore; previous year - ₹ Nil)	**0.36**	-
Stores and spares (including in transit - ₹ 7.34 crores; previous year - ₹ 8.51 crores)	**202.74**	228.73
Coal and fuel (including in transit - ₹ 24.23 crores; previous year - ₹ 5.11 crores)	**333.79**	239.55
Packing materials (including in transit - ₹ Nil ; previous year - ₹ 0.60 crore)	**13.59**	13.81
Total	**933.94**	983.93

	Non-current		Current	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
16. Cash and bank balances				
Cash and cash equivalents :				
Balances with bank :				
In current accounts	**-**	-	**137.55**	132.21
Deposit with original maturity upto 3 months	**-**	-	**2,010.25**	2,061.00
	-	-	**2,147.80**	2,193.21
Cash on hand	**-**	-	**0.28**	0.34
Remittance in transit	**-**	-	**5.69**	-
Earmarked balances with banks	**-**	-	**22.96**	22.38
	-	-	**2,176.73**	2,215.93
Other bank balances :				
Fixed deposit with banks *				
Original maturity more than 3 months and upto 12 months	**-**	-	**164.36**	37.79
Original maturity more than 12 months	**10.01**	8.02	**-**	-
	10.01	8.02	**164.36**	37.79
Less : Amount disclosed under non-current asset (Refer note 13.2)	**(10.01)**	(8.02)	**-**	-
	-	-	**164.36**	37.79
Total	**-**	-	**2,341.09**	2,253.72

*Given as security against bank guarantees and others.

	₹ in crores	**2013 ₹ in crores**	2012 ₹ in crores
17. Other operating revenues			
Sale of power		**2.25**	2.55
Provisions no longer required		**30.93**	19.78
Sale of scrap		**26.70**	17.53
Miscellaneous income		**13.63**	15.50
Total		**73.51**	55.36
18. Other income			
Interest income on :			
Bank deposits	**207.87**		204.16
Long-term investments	**1.52**		1.52
Income tax refund	**1.25**		23.80
Others	**7.24**		4.48
		217.88	233.96
Discounting income on sales tax loan		**13.41**	15.96
Profit on sale of current investments		**111.39**	71.89
Profit on sale of fixed assets		**2.20**	1.71
Insurance claims		**13.91**	11.66
Others (Refer note 49 (a))		**34.83**	13.69
Total		**393.62**	348.87
19. Cost of raw material consumed (Refer note 44 and 47)			
Opening stock		**53.81**	45.46
Add : purchases		**646.48**	680.11
Less : closing stock		**54.12**	53.81
Total		**646.17**	671.76
Break-up of raw materials consumed			
Fly ash		**309.13**	298.27
Gypsum		**207.58**	236.20
Others		**129.46**	137.29
Total		**646.17**	671.76

Notes to Financial Statements *(Contd.)*

	₹ in crores	2013 ₹ in crores	2012 ₹ in crores
20. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
Closing stock :			
Work-in-progress	**223.53**		303.04
Finished goods	**105.81**		144.99
Stock-in-Trade	**0.36**		-
		329.70	448.03
Opening stock :			
Work-in-progress	**303.04**		161.67
Finished goods	**144.99**		85.53
		448.03	247.20
(Increase) / Decrease		**118.33**	(200.83)
21. Employee benefits expense			
Salaries and wages		**430.78**	404.06
Contribution to provident and other fund		**36.35**	44.95
Staff welfare expenses		**35.28**	29.50
Total		**502.41**	478.51
22. Freight and forwarding expenses (Refer note 44)			
On internal material transfer		**582.69**	584.35
On finished products		**1,779.08**	1,691.50
Total		**2,361.77**	2,275.85
23. Finance costs			
Interest :			
On Income tax (net of interest income on refund ₹ 31.33 crores; previous year - ₹ 26.82 crores)		**32.12**	39.72
Others		**32.96**	35.94
Total		**65.08**	75.66
24. Depreciation and amortisation expense			
Depreciation on tangible assets (Refer note 10 (g)(ii))		**490.00**	563.81
Amortisation on intangible assets		**0.07**	1.41
Total		**490.07**	565.22
25. Other expenses			
Royalty and cess		**133.28**	142.29
Stores and spares consumed (Refer note 47)		**335.96**	326.87
Provision for slow and non moving spares (net)		**11.02**	-
Packing materials consumed		**378.52**	338.75
Repairs and maintenance :			
Building	**6.31**		3.91
Plant and machinery	**153.62**		136.40
Others	**16.49**		16.33
		176.42	156.64
Excise duty :			
Excise duty on captive consumption of clinker	**24.81**		44.12
Excise duty variation on opening / closing stock	**(9.34)**		10.96
		15.47	55.08
Rent (Refer note 43)		**33.54**	28.35
Rates and taxes		**21.16**	17.20
Insurance		**20.88**	26.36
Technology and Know-How fee (net of recovery)		**89.96**	-
Carried forward		**1,216.21**	1091.54

		2013	2012
	₹ in crores	₹ in crores	₹ in crores
25. Other expenses *(Contd.)*			
Brought forward		**1,216.21**	1091.54
Legal and professional fees		**83.84**	75.96
Advertisement and publicity		**88.47**	89.72
Commission on sales		**23.96**	22.88
Discount on sales		**45.00**	45.71
Selling and distribution expenses		**17.91**	15.95
Donation		**52.57**	40.06
Loss on assets sold, discarded and written off		**11.40**	8.82
Bad debts, sundry debit balances and claims written off		**2.43**	1.56
Provision for doubtful debts and advances (net) (Refer note 46)		**-**	31.73
Deferred revenue expenditure, written off		**-**	0.27
Miscellaneous expenses*		**282.35**	285.48
Total		**1,824.14**	1,709.68

* Miscellaneous expenses include payment to auditors (excluding service tax)			
Statutory auditor			
as auditor	**2.16**		2.10
for other services	**0.43**		0.03
for reimbursement of expenses	**0.09**		0.10
	2.68		2.23
Cost auditor			
as auditor	**0.06**		0.05
for reimbursement of expenses (Previous year - ₹ 41,682)	**0.01**		
	0.07		0.05
		2.75	2.28
Total		**2.75**	2.28
26. Exceptional items			
Depreciation on tangible assets (Refer note 50)		**-**	279.13
Profit on sale of residential flats		**(24.82)**	-
Total		**(24.82)**	279.13

27. Earnings per equity share (EPS) :

	2013	2012
(i) Profit attributable to equity shareholders for basic and diluted EPS	**1,294.57**	1,297.06
	Nos.	Nos.
(ii) Weighted average number of equity shares for basic EPS	**1,543,837,913**	1,537,900,433
Add : Potential equity shares on exercise of option of ESOS	**2,448,827**	4,554,733
Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992.	**275,514**	278,802
Weighted average number of shares for diluted EPS	**1,546,562,254**	1,542,733,968
	₹	₹
(iii) Nominal value of equity share	**2.00**	2.00
(iv) Earnings per equity share :		
Basic	**8.39**	8.43
Diluted	**8.37**	8.41

28. Segment reporting :

The Company has only one business segment 'Cementitious Materials' as primary segment. The secondary segment is geographical, which is given as under :

	2013	2012
	₹ in crores	₹ in crores
a) Revenue from operations		
i) Sale of products (Net of excise duty)		
Within India	**9,026.86**	9,621.92
Outside India	**59.98**	53.02
Total	**9,086.84**	9,674.94
ii) Other operating revenues		
Within India	**73.33**	55.17
Outside India	**0.18**	0.19
Total	**73.51**	55.36

b) All the assets of the Company, except the investments, trade receivables and loans and advances amounting to ₹ 57.45 crores (previous year - ₹ 37.35 crores), are within India.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
29. (A) Contingent liabilities and commitments (to the extent not provided for)		
(I) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts		
(i) Labour matters	**21.74**	18.95
(ii) Land matters	**60.30**	67.03
(iii) Others	**60.94**	31.36
(b) Other matters for which the company is contingently liable		
(i) Tax matters		
(a) Income tax demands (including interest) - matter under appeal	**10.70**	5.37
(b) Sales tax demands (including interest and penalty)	**19.63**	16.24
(c) Excise demands under appeal	**26.10**	27.81
(d) Customs demands	**33.45**	-
(e) Land tax demands	**14.86**	14.38
(f) Others	**16.30**	0.80
(ii) Relating to railway freight on cement - matter once decided in favour of the Company by the Honourable High Court of Gujarat was remanded back by the Honourable Supreme Court pursuant to a Special Leave Petition filed by the railways.	**7.92**	7.65
(iii) Relating to coal claims - matter pending in the Honourable High Court of Calcutta		
(a) Railway freight on coal	**1.60**	1.60
(b) Penal freight on excess weight of coal	**0.24**	0.24
(c) Interest on premium on coal	**3.29**	3.29
(iv) The Competition Commission of India issued an Order dated 20th June, 2012, imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,163.91 crores on the Company. The Company had filed an appeal against the said Order with the Competition Appellate Tribunal (COMPAT). Pending final disposal of the appeal, the Hon'ble Tribunal, vide its order dated 17th May, 2013, has stayed the penalty with a condition to deposit 10% of the penalty amount, which has been deposited in the form of bank fixed deposit with lien in favour of COMPAT. The fixed deposit has been renewed along with interest of ₹ 4.36 crores. 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.	**1,163.91**	1,163.91
In respect of items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
(II) Guarantee given on behalf of joint venture company	**6.60**	3.67
(III) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**647.73**	680.85
(B) The Honourable High Court of Himachal Pradesh had passed an order in favour of the Company for its claim in respect of power subsidy in the form of Power Tariff Freeze (PTF) and Peak Load Exemption Charges (PLEC). Against this, Government of Himachal Pradesh had issued 296, 5.13% H P Infrastructure Development Bonds of face value of ₹ 1,000,000 each, having a value of ₹ 29.60 crores and balance of ₹ 0.08 crore was refunded to the Company The Government of Himachal Pradesh has filed Special Leave Petition in the Honourable Supreme Court against the decision of the Honourable High Court of Himachal Pradesh. The Company has given an undertaking to refund ₹ 29.68 crores paid by the State Government together with interest thereon up to the date of final judgment in time bound manner, in the event that the matter is decided against the Company.	**29.68**	29.68
(C) The Government of Rajasthan has granted 75% exemption from Sales Tax in respect of Rabriyawas unit. However, the eligibility of exemption in excess of 25% has been contested by the State Government in a similar matter of another Company. The matter is pending before the Honourable Supreme Court. The Company has given an undertaking to the Government of Rajasthan that the Company will deposit the differential amount of Sales tax, in case the Supreme Court's decision goes against in the matter referred above.	**82.16**	82.16
(D) Writ petition filed against the order of Madhya Pradesh State Mining Department demanding ₹ 4.76 crores excluding interest ₹ 1.13 crores towards payment of additional royalty on limestone based on the ratio of 1.6 tonnes of limestone to 1 tonne of cement produced at its factory in Chhattisgarh. The matter is now pending before Honourable High Court at Bilaspur.	**102.87**	85.02

30. Related party disclosure :

1 Name of related parties

(A) Names of the related parties where control exists	**Nature of Relationship**
(I) Holcim Limited, Switzerland	Ultimate Holding Company
(II) Holderfin BV, Netherlands	Intermediate Holding Company
(III) Holderind Investments Limited, Mauritius	Holding Company
(IV) Kakinada Cements Limited	Subsidiary
(V) M.G.T. Cements Private Limited	Subsidiary
(VI) Chemical Limes Mundwa Private Limited	Subsidiary
(VII) Dang Cement Industries Private Limted, Nepal	Subsidiary
(VIII) Dirk India Private Limited	Subsidiary
(IX) Wardha Vaalley Coal Field Private Limited	Joint Venture
(X) Counto Microfine Products Private Limited	Joint Venture

(B) Others - with whom transactions have taken place during the year

(I) Names of other related parties	**Nature of Relationship**
(a) Dirk Pozzocrete (MP) Private Limited	Step down subsidiary
(b) ACC Limited	Fellow Subsidiary
(c) Holcim (India) Private Limited, India (Refer note 52)	Fellow Subsidiary
(d) Holcim (Lanka) Limited, Sri Lanka	Fellow Subsidiary
(e) Holcim Malaysia SDN Bhd, Malaysia	Fellow Subsidiary
(f) Holcim (Vietnam) Limited, Vietnam	Fellow Subsidiary
(g) Holcim Environment Services SA, Belgium	Fellow Subsidiary
(h) Holcim Group Services Limited, Switzerland	Fellow Subsidiary
(i) Holcim Technology Limited, Switzerland	Fellow Subsidiary
(j) Holcim Group Support Limited, Switzerland	Fellow Subsidiary
(k) Holcim Philippines, Inc., Philippines	Fellow Subsidiary
(l) Holcim Services (South Asia) Limited	Fellow Subsidiary
(m) Holcim Services (Asia) Limited, Thailand	Fellow Subsidiary
(n) Holcim Trading FZCO, UAE	Fellow Subsidiary
(o) Holcim Trading Pte Limited, Singapore	Fellow Subsidiary
(p) Holcim Trading SA, Spain	Fellow Subsidiary
(q) PT Holcim Indonesia Tbk., Indonesia	Fellow Subsidiary
(r) Holcim Cement (Bangladesh) Limited, Bangladesh	Fellow Subsidiary
(s) Siam City Cement Public Company Limited, Thailand	Joint Venture of Fellow Subsidiary (w.e.f. 01.01.2013), (erstwhile a fellow subsidiary)

(II) Key Management Personnel

Name of the related parties	**Nature of Relationship**
(a) Mr. Onne van der Weijde	Managing Director
(b) Mr. Ajay Kapur	Deputy Managing Director & Chief Executive Officer (w.e.f. 01.08.2013)

2 Details of related party transactions

	Sr. No.	**Description**	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
A)		**Transactions with subsidiaries**		
	1	Purchase of goods (previous year ₹ 16,861)	**0.01**	
		Dirk India Private Limited (previous year ₹ 16,861)	**0.01**	
	2	Sale of goods	**0.47**	0.20
		Dirk India Private Limited	**0.47**	0.20
	3	Interest charged	**2.65**	0.97
		Chemical Limes Mundwa Private Limited	**-**	0.03
		Dirk India Private Limited	**2.65**	0.94
		Kakinada Cements Limited (previous year ₹ 2,762)	**-**	
	4	Equity contribution	**-**	9.55
		Chemical Limes Mundwa Private Limited	**-**	5.00
		Dang Cement Industries Private Limted, Nepal	**-**	4.50
		Kakinada Cements Limited	**-**	0.05
	5	Other recoveries	**0.24**	-
		Dirk India Private Limited	**0.24**	-
	6	Inter corporate deposits and loans given	**28.18**	5.58
		Chemical Limes Mundwa Private Limited	**-**	0.56
		Dirk India Private Limited	**28.18**	5.00
		Kakinada Cements Limited	**-**	0.02

30. Related party disclosure : *(Contd.)*

2 Details of related party transactions *(Contd.)*

Sr. No.	Description	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
A)	**Transactions with subsidiaries** *(Contd.)*		
7	Loans given repaid	**2.50**	1.02
	Dirk India Private Limited	**2.50**	-
	Chemical Limes Mundwa Private Limited	**-**	1.00
	Kakinada Cements Limited	**-**	0.02
8	Loans / inter corporate deposits given outstanding at the year end	**35.68**	10.00
	Dirk India Private Limited	**35.68**	10.00
9	Amount receivable at the year end	**2.52**	0.88
	Dirk India Private Limited	**2.52**	0.88
B)	**Transactions with fellow subsidiaries**		
1	Purchase of goods	**26.23**	65.36
	ACC Limited	**20.27**	7.54
	Holcim Trading FZCO, UAE	**2.34**	57.82
	Holcim Trading Pte Limited, Singapore	**3.62**	-
2	Sale of goods	**77.46**	46.94
	ACC Limited	**23.18**	23.67
	Holcim Trading FZCO, UAE	**-**	23.27
	Holcim Trading Pte Limited, Singapore	**54.28**	-
3	Sale of fixed assets	**3.79**	0.38
	ACC Limited	**3.79**	0.38
4	Rendering of services	**0.94**	-
	ACC Limited	**0.65**	-
	Holcim (Lanka) Limited, Sri Lanka (₹ 22,298)		-
	PT Holcim Indonesia Tbk., Indonesia	**0.01**	-
	Holcim Cement (Bangladesh) Limited, Bangladesh	**0.28**	-
5	Receiving of services	**139.26**	69.78
	ACC Limited	**5.61**	4.43
	Holcim (Lanka) Limited, Sri Lanka	**-**	0.11
	Holcim Group Services Limited, Switzerland	**2.72**	-
	Holcim Technology Limited, Switzerland	**90.20**	-
	Holcim (Vietnam) Limited, Vietnam	**-**	0.11
	Holcim Trading SA, Spain	**-**	0.41
	Holcim Group Support Limited, Switzerland	**-**	32.13
	Holcim Services (Asia) Limited, Thailand	**0.05**	0.11
	Holcim Services (South Asia) Limited	**35.28**	32.42
	Holcim Trading Pte Limited, Singapore (previous year ₹ 44,372)	**5.35**	
	PT Holcim Indonesia Tbk., Indonesia	**0.05**	0.01
	Siam City Cement Public Company Limited, Thailand	**-**	0.05
6	Interest charged	**0.01**	0.02
	ACC Limited	**-**	0.02
	Holcim (Lanka) Limited, Sri Lanka	**0.01**	-
7	Other recoveries	**0.76**	2.96
	ACC Limited	**0.01**	1.71
	Holcim (Lanka) Limited, Sri Lanka	**0.20**	1.23
	Holcim Group Support Limited, Switzerland	**-**	0.02
	Holcim Services (South Asia) Limited (previous year ₹ 33,605)	**-**	
	Holcim Technology Limited, Switzerland	**0.55**	-
8	Other payments	**0.03**	0.05
	ACC Limited (previous year ₹ 7,303)	**-**	
	Holcim Trading FZCO, UAE	**0.01**	0.05
	Holcim (Lanka) Limited, Sri Lanka	**0.02**	-
9	Amounts receivable at the year end	**13.30**	2.59
	ACC Limited	**8.69**	0.60
	Holcim (Lanka) Limited, Sri Lanka	**0.20**	0.19
	Holcim Trading FZCO, UAE	**-**	1.80
	Holcim Trading Pte Limited, Singapore	**4.12**	-
	Holcim Services (South Asia) Limited (previous year ₹ 11,236)	**-**	
	Holcim Cement (Bangladesh) Limited, Bangladesh	**0.28**	-
	PT Holcim Indonesia Tbk., Indonesia	**0.01**	-

Notes to Financial Statements *(Contd.)*

30. Related party disclosure : *(Contd.)*

2 Details of related party transactions *(Contd.)*

	Sr. No.	**Description**	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
B)	**Transactions with fellow subsidiaries** *(Contd.)*			
	10	Amounts payable at the year end	**26.57**	14.45
		ACC Limited	**0.96**	1.81
		Holcim (Lanka) Limited, Sri Lanka	**-**	0.10
		Holcim Technology Limited, Switzerland	**19.44**	-
		Holcim Group Support Limited, Switzerland	**-**	8.11
		Holcim Group Services Limited, Switzerland	**1.45**	-
		Holcim Philippines, Inc., Philippines	**0.02**	0.01
		Holcim Services (Asia) Limited, Thailand	**0.05**	0.11
		Holcim Services (South Asia) Limited	**4.13**	2.13
		Holcim Trading SA, Spain	**-**	0.41
		Holcim Trading FZCO, UAE	**0.39**	1.62
		Holcim Trading Pte Limited, Singapore	**0.08**	-
		PT Holcim Indonesia Tbk., Indonesia	**0.05**	0.15
C)	**Transactions with joint ventures**			
	1	Purchase of goods	**0.03**	0.07
		Counto Microfine Products Private Limited	**0.03**	0.07
	2	Receiving of services	**0.01**	-
		Siam City Cement Public Company Limited, Thailand	**0.01**	-
	3	Equity contribution	**0.20**	0.68
		Wardha Vaalley Coal Field Private Limited	**0.20**	0.68
	4	Preference share subscription	**7.50**	-
		Counto Microfine Products Private Limited	**7.50**	-
	5	Preference share redemption	**15.00**	-
		Counto Microfine Products Private Limited	**15.00**	-
	6	Guarantees given outstanding at the year end	**6.60**	3.67
		Wardha Vaalley Coal Field Private Limited	**6.60**	3.67
	7	Amounts receivable at the year end	**0.20**	-
		Wardha Vaalley Coal Field Private Limited	**0.20**	-
	8	Amounts payable at the year end	**0.01**	-
		Siam City Cement Public Company Limited, Thailand	**0.01**	-
D)	**Transactions with key management personnel**			
	1	Remuneration	**6.16**	3.69
		Mr. Onne van der Weijde	**3.84**	3.69
		Mr. Ajay Kapur	**2.32**	-
	2	Amounts payable at the year end	**1.54**	0.80
		Mr. Onne van der Weijde	**0.79**	0.80
		Mr. Ajay Kapur	**0.75**	-

Notes :

1 Related party relationship is as identified by the Company on the basis of available information.

2 The Company carries its Corporate Social Responsibility (CSR) activities through Ambuja Cement Foundation (ACF) and runs schools at plant locations through Ambuja Vidya Niketan Trust (AVN), a charitable organisation registered under Bombay Public Trust Act, 1950. The Company has contributed ₹ 32.50 crores (previous year - ₹ 35.00 crores) to ACF and ₹ 5.70 crores (previous year - ₹ 4.80 crores) to AVN during the current year.

31. Gratuity and other post-employment benefit plans :

a) Defined Contribution Plans

The Company has recognised expenses towards the defined contribution plans as under :

	2013 ₹ in crores	2012 ₹ in crores
Contribution to superannuation fund	**9.28**	8.20
Contribution to employees' provident fund organisation	**17.08**	15.21
Others	**0.15**	0.18
Total	**26.51**	23.59

b) Defined benefit plans - as per actuarial valuation

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Company also provides certain additional post-employment healthcare benefits to senior employees.

Notes to Financial Statements *(Contd.)*

31. Gratuity and other post-employment benefit plans : *(Contd.)*

The following tables summarise the components of net benefit / expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans :

Particulars	**2013**				2012			
	Gratuity		**Death and disability scheme (shipping staff) non funded**	**Post retirement medical benefits non funded**	Gratuity		Death and disability scheme (shipping staff) non funded	Post retirement medical benefits non funded
	Funded	**Non funded**			Funded	Non funded		
I Expense recognised in the statement of profit and loss								
1 Current service cost	**7.94**	**0.06**	**0.02**	**0.59**	6.74	0.05	0.03	0.49
2 Interest cost	**7.46**	**0.05**	**0.02**	**0.69**	6.34	0.05	0.02	0.55
3 Expected return on plan assets	**(8.01)**	**-**	**-**	**-**	(6.67)	-	-	-
4 Actuarial (gains) / losses	**(4.66)**	**(0.07)**	**(0.09)**	**(0.86)**	8.29	(0.01)	(0.04)	1.00
5 Total expense	**2.73**	**0.04**	**(0.05)**	**0.42**	14.70	0.09	0.01	2.04
II Net Asset / (Liability) recognised in the Balance Sheet								
1 Present value of defined benefit obligation	**97.46**	**0.59**	**0.23**	**8.74**	95.09	0.55	0.28	8.38
2 Fair value of plan assets	**94.73**	**-**	**-**	**-**	95.09	-	-	-
3 Funded status [surplus / (deficit)]	**(2.73)**	**(0.59)**	**(0.23)**	**(8.74)**	*	(0.55)	(0.28)	(8.38)
4 Net asset / (liability)	**(2.73)**	**(0.59)**	**(0.23)**	**(8.74)**	*	(0.55)	(0.28)	(8.38)
III Change in obligation during the year								
1 Present value of defined benefit obligation at the beginning of the year	**95.09**	**0.55**	**0.28**	**8.38**	77.91	0.58	0.27	6.38
2 Current service cost	**7.94**	**0.06**	**0.02**	**0.59**	6.74	0.05	0.03	0.49
3 Interest cost	**7.46**	**0.05**	**0.02**	**0.69**	6.34	0.05	0.02	0.55
4 Actuarial (gains) / losses	**(5.21)**	**(0.07)**	**(0.09)**	**(0.86)**	8.85	(0.01)	(0.04)	1.00
5 Benefits payments	**(7.82)**	**-**	**-**	**(0.06)**	(4.75)	(0.12)	-	(0.04)
6 Present value of defined benefit obligation at the end of the year	**97.46**	**0.59**	**0.23**	**8.74**	95.09	0.55	0.28	8.38
IV Change in assets during the year								
1 Plan assets at the beginning of the year	**95.09**	**-**	**-**	**-**	79.61	-	-	-
2 Expected return on plan assets	**8.01**	**-**	**-**	**-**	6.67	-	-	-
3 Contribution by employer	**-**	**-**	**-**	**-**	13.00	-	-	-
4 Actual benefit paid	**(7.82)**	**-**	**-**	**-**	(4.75)	-	-	-
5 Actuarial gains / (losses)	**(0.55)**	**-**	**-**	**-**	0.56	-	-	-
6 Plan assets at the end of the year	**94.73**	**-**	**-**	**-**	95.09	-	-	-
7 Actual return on plan assets	**7.46**	**-**	**-**	**-**	7.22	-	-	-

* ₹ 31,941

	As at 31.12.2013		As at 31.12.2012	
V The major categories of plan assets as a percentage of total plan				
Qualifying insurance policy with Life Insurance Corporation of India	**100%**		100%	
VI Effect of one percentage point change in the assumed medical inflation rate :	**1% increase**	**1% decrease**	1% increase	1% decrease
Increase / (decrease) on aggregate service and interest cost	**0.17**	**(0.17)**	0.17	(0.18)
Increase / (decrease) on present value of defined benefit obligation	**1.06**	**(1.05)**	1.12	(1.11)
VII Actuarial assumptions :				
1 Discount rate	**9.30% p.a.**		8.25% p.a.	
2 Expected rate of return on plan assets	**8.50% p.a.**		8.50% p.a.	
3 Mortality	**LIC (2006-08) mortality tables**		LIC (1994-96) mortality tables	
4 Turnover rate	**Age 21-44 - 2%, Age 45 -57 - 1%**		Age 21-44 - 2%, Age 45 -57 - 1%	
5 Medical premium inflation	**12% p.a. in the first 5 years and 8% thereafter**		12% p.a. in the first 5 years and 8% thereafter	
6 Salary escalation	**7% p.a.**		7% p.a.	

31. Gratuity and other post-employment benefit plans : *(Contd.)*

VIII Amounts recognised in the Statement of profit and loss for defined benefit plans are as under :

		2013 ₹ in crores	2012 ₹ in crores
1	Gratuity (Funded)*	**2.71**	14.68
2	Gratuity (Non funded)	**0.04**	0.09
3	Post retirement medical benefits**	**0.35**	1.99
4	Death and disability	**(0.05)**	0.01
	Total	**3.05**	16.77

* Net of ₹ 0.02 crore (previous year - ₹ 0.02 crore) capitalised as pre-operative expenses.

** Net of ₹ 0.07 crore (previous year - ₹ 0.05 crore) capitalised as pre-operative expenses.

IX Basis used to determine expected rate of return on assets :

To develop the expected long-term return on assets assumption, the company considered the current level of returns declared on its insurance policy. This resulted in the selection of the 8.50 % assumption for gratuity (funded) plan.

X 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.

XI The Company expects to contribute ₹ 7.50 crores (previous year - ₹ 7.50 crores) to gratuity fund in the next year.

XII Amount for the current and previous four years are as follows :

		As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	As at 31.12.2011 ₹ in crores	As at 31.12.2010 ₹ in crores	As at 31.12.2009 ₹ in crores
i)	**Gratuity - funded**					
	Defined benefit obligation	**97.46**	95.09	77.91	65.10	57.28
	Plan assets	**94.73**	95.09	79.61	67.14	59.85
	Surplus / (deficit)	**(2.73)**	*	1.70	2.04	2.57
	Experience adjustments on plan assets	**(0.55)**	0.55	3.86	(0.17)	0.74
	Experience adjustments on plan liabilities	**3.64**	6.15	7.46	3.50	2.08
ii)	**Gratuity - Non funded**					
	Defined benefit obligation	**0.59**	0.55	0.59	0.64	0.56
	Surplus / (deficit)	**(0.59)**	(0.55)	(0.59)	(0.64)	(0.56)
	Experience adjustments on plan liabilities	**(0.03)**	(0.01)	(0.03)	0.08	(0.14)
iii)	**Death and disability scheme (shipping staff)**					
	Defined benefit obligation	**0.23**	0.28	0.27	0.28	0.26
	Surplus / (deficit)	**(0.23)**	(0.28)	(0.27)	(0.28)	(0.26)
	Experience adjustments on plan liabilities	**(0.05)**	(0.04)	(0.06)	(0.03)	(0.11)
iv)	**Post retirement medical benefit (PRMB)**					
	Defined benefit obligation	**8.74**	8.38	6.39	4.85	4.35
	Surplus / (deficit)	**(8.74)**	(8.38)	(6.39)	(4.85)	(4.35)
	Experience adjustments on plan liabilities	**0.32**	0.27	0.92	(0.40)	0.62

* ₹ 31,941

c) Amount recognised as expense in respect of compensated absences is ₹ 8.30 crores (previous year - ₹ 18.59 crores).

d) Provident fund managed by a trust set up by the Company

The Company has contributed ₹ 7.16 crores (previous year - ₹ 6.33 crores) towards provident fund liability. Deficit of ₹ Nil (previous year - ₹ 0.15 crore) in the accumulated corpus fund is recognised in the Statement of profit and loss.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
Details of the fund and asset position :		
Plan assets at the year end, at fair value	**89.89**	84.96
Present value of benefit obligation at year end	**88.58**	85.11
Net Liability / (Asset)*	**(1.31)**	0.15
Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach		
Discount rate	**9.30%**	8.25%
Interest rate guarantee	**8.50%**	8.50%
Expected rate of return of assets	**9.18%**	8.52%

* Only liability is recognized in the books

Notes to Financial Statements *(Contd.)*

32 Employee stock option schemes :

a) The Company has provided various share based payments to its employees. During the year, following schemes were in operation :

Particulars	2007 *	2008 #	2009	2010
a) Date of grant	07.06.2007	01.07.2008	19.06.2009	22.04.2010
b) Date of Board approval	11.01.2007	01.07.2008	06.02.2009	04.02.2010
c) Date of Shareholders approval	26.03.2007	22.04.2008	06.04.2009	05.04.2010
d) Number of options granted	7,497,900	7,498,150	7,499,600	9,998,900
e) Method of settlement (cash / equity)	Equity	Equity	Equity	Equity
f) Vesting period from the date of grant	1 year	1 year	1 year	1 year
g) Exercise period from the date of vesting	4 years	4 years	4 years	4 years

* Includes 111,150 options in tranche 2 granted on 1st July 2008 @ ₹ 82 per option.

\# Includes 113,850 options in tranche 2 granted on 19th June 2009 @ ₹ 96 per option.

b) The details of activity under the ESOS are as below :

Particulars	2013		2012	
	Number of shares	**Weighted average exercise price (₹)**	Number of shares	Weighted average exercise price (₹)
a) Outstanding at the beginning of the year	**10,165,025**	**107.91**	18,591,025	107.36
b) Forfeited during the year	**19,250**	**116.85**	244,400	110.88
c) Exercised during the year	**3,675,850**	**100.13**	7,815,175	106.28
d) Expired during the year	**88,300**	**82.00**	366,425	113.00
e) Outstanding at the end of the year	**6,381,625**	**112.72**	10,165,025	107.91
f) Exercisable at the end of the year	**6,381,625**	**112.72**	10,165,025	107.91
g) Weighted average remaining contractual life (in years)	**1.07**		1.84	

The weighted average share price at the date of exercise for stock options was ₹ 179.36 (previous year ₹ 188.56)

The weighted average share price for the period over which stock option were exercised was ₹ 185.01 (previous year ₹ 177.49)

c) The details of exercise price for stock options outstanding at the year end :

Employee stock option schemes	As at 31.12.2013 Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (nominal value of ₹ 2 per share) (₹)	As at 31.12.2012 Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (nominal value of ₹ 2 per share) (₹)
2007						
Tranche 2	-	-	-	16,300	0.50	82.00
2008						
Tranche 1	-	-	-	1,291,750	0.50	82.00
Tranche 2	**31,475**	**0.46**	**96.00**	47,350	1.46	96.00
2009	**1,710,500**	**0.46**	**96.00**	2,750,225	1.46	96.00
2010	**4,639,650**	**1.30**	**119.00**	6,059,400	2.30	119.00

d) Effect of the employee share based payment plans on the statement of profit and loss and on its financial position :

Particulars	2013 ₹ in crores	2012 ₹ in crores
Liability for employee stock options outstanding at year end	**18.27**	23.86

e) Expenses on employee stock option scheme exclude cost relating to shares granted to the employees of the Company by Holcim Limited, Switzerland, the ultimate holding company.

	2013 ₹ in crores	2013 %	2012 ₹ in crores	2012 %
33. (a) Raw materials consumed :				
(i) Imported	**89.71**	**13.88**	97.16	14.46
(ii) Indigenous	**556.46**	**86.12**	574.60	85.54
Total	**646.17**	**100.00**	671.76	100.00
(b) Spares consumed :				
(i) Imported	**9.71**	**9.32**	8.19	7.84
(ii) Indigenous	**94.53**	**90.68**	96.34	92.16
Total	**104.24**	**100.00**	104.53	100.00

Notes to Financial Statements *(Contd.)*

	2013 ₹ in crores	2012 ₹ in crores
34. CIF value of imports :		
(i) Raw materials	**23.19**	38.98
(ii) Components and spare parts	**38.16**	49.79
(iii) Capital goods	**111.29**	37.31
(iv) Fuels	**340.94**	485.96
(v) Packing material	**-**	2.60
35. Expenditure in foreign currency (accrual basis) :		
(i) Know-how	**90.20**	-
(ii) Professional and consultation fees (including capitalised amount of ₹ 1.30 crores ; previous year ₹ 0.16 crore)	**7.39**	15.73
(iii) Other matters (including capitalised amount of ₹ Nil ; previous year ₹ 0.65 crore)	**10.27**	28.29
36. Earnings in foreign exchange (accrual basis) :		
(i) F.O.B. value of exports	**54.28**	23.27
(ii) Royalty, professional and consultation fees	**0.48**	0.19
(iii) Interest	**0.01**	-
(iv) Others	**3.77**	9.48
37. Remittances in foreign currency :		
On account of dividend to non-resident shareholders		
(i) Final Dividend		
No. of shareholders	**206**	199
No. of equity shares	**630,570,171**	621,961,307
Amount remitted, net of tax	**138.73**	111.95
Year to which it pertains	**2012**	2011
(ii) Interim Dividend		
No. of shareholders	**205**	193
No. of equity shares	**630,515,652**	621,906,482
Amount remitted, net of tax	**88.27**	87.07
Period to which it pertains	**2013**	2012

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
38. Proposed Dividend :		
The final dividend proposed for the year is as follows :		
On Equity Shares of ₹ 2 each		
Amount of dividend proposed	**340.09**	339.28
Dividend per Equity Share (₹)	**2.20**	2.20

39. Unhedged foreign currency exposure :

	Particulars		As at 31.12.2013 Foreign Currency in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 Foreign Currency in crores	As at 31.12.2012 ₹ in crores
1	Trade payables and other current liabilities	in CHF 43,918		**0.31**	0.13	7.67
		in EURO	**0.16**	**13.72**	0.09	6.61
		in GBP 693 (previous year 4,070)		**0.01**		0.04
		in JPY	**0.01**	**0.01**	0.77	0.49
		in NOK 34,199 (previous year 34,503)		**0.03**		0.03
		in SEK 584 - ₹ 5,618			0.02	0.13
		in THB	**0.03**	**0.05**	0.06	0.11
		in USD	**0.36**	**22.12**	0.39	21.62
2	Trade receivables and other current advances	in CHF 3,918 (previous year 5,140)		**0.03**		0.03
		in DKK	**-**	**-**	0.07	0.72
		in EURO	**0.32**	**27.53**	0.13	9.38
		in GBP 28,017 (previous year 187 - ₹ 16,561)		**0.29**		
		in SEK 500 - ₹ 4,810			-	-
		in USD	**0.08**	**4.86**	0.05	2.47

Notes to Financial Statements *(Contd.)*

40. Disclosure of trade payables as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.		
Principal	**0.43**	0.86
Interest	**0.01**	0.01
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.	**7.71**	1.47
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 (previous year ₹ 887).	**-**	
d) The amount of interest accrued and remaining unpaid at the end of the year.	**-**	0.01

41. Sale of products includes Sales tax / Value added tax subsidy of ₹ 7.34 crores (previous year - ₹ 33.48 crores).

42. The Company has, the following joint ventures and its proportionate share in the assets, liabilities, income and expenditure of the joint venture companies are given below :

	As on and for the year ended			
	31.12.2013 ₹ in crores	31.12.2012 ₹ in crores	**31.12.2013 ₹ in crores**	31.12.2012 ₹ in crores
(a) Name of the company	**Wardha Vaalley Coal Field Private Limited**		**Counto Microfine Products Private Limited**	
(b) Country of incorporation	**India**		**India**	
(c) Percentage of share holding	**27.27%**	27.27%	**50.00%**	50.00%
(d) Assets :				
Non-current assets	**₹ 5,413**	₹ 6,505	**14.63**	15.64
Current assets	**0.01**	0.15	**3.72**	2.90
Total	**0.01**	0.15	**18.35**	18.54
(e) Liabilities :				
Non-current liabilities	**-**	-	**4.16**	3.57
Current liabilities	**₹ 7,441**	0.01	**3.56**	4.99
Total	**₹ 7,441**	0.01	**7.72**	8.56
(f) Income	**₹ 9,686**	0.01	**8.27**	7.11
(g) Expenditure	**0.23**	0.65	**7.63**	7.23
(h) Contingent liability	**6.60**	3.67	**0.20**	1.46

43. Operating lease :

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

44. The Company is eligible for receipt of transport subsidy on inter-state transport of raw materials, clinker and cement in certain units. Accordingly, the Company has accrued an amount and adjusted against the respective expenses as under :

	2013 ₹ in crores	2012 ₹ in crores
(i) Cost of raw materials consumed	**3.32**	3.31
(ii) Freight and forwarding expenses	**27.12**	26.81
Total	**30.44**	30.12

45. Dirk India Private Limited's (DIPL) (a subsidiary company) contract for procurement of key raw material is sub-judice and the supply has been discontinued by the supplier. Based on advice of external legal counsel, the Company believes that DIPL has good case of appeal, hence no adjustment is considered necessary in respect of its investment of ₹ 21.81 crores and loans & inter corporate deposits of ₹ 35.68 crores.

46. "Provision for doubtful debts and advances (net)" for the previous year includes ₹ 31.84 crores pertaining to the period upto 31st December, 2011, towards claims in respect of certain incentives receivable from the government, where there exists an uncertainty with respect to its full recoverability due to government's contention of non-fulfillment of certain conditions.

47. During the current year, the Company has credited ₹ 0.02 crore in 'Cost of raw materials consumed', ₹ 24.54 crores in 'Power and fuel' and ₹ 4.56 crores in 'Stores and spares consumed', due to change in estimate in respect of recognition of certain CENVAT credit relating to earlier years.

Notes to Financial Statements *(Contd.)*

48. Disclosure in respect of Loans and advances in the nature of Loans pursuant to clause 32 of the listing agreement.

	As at 31.12.2013		As at 31.12.2012	
	Outstanding balance	**Maximum balance outstanding during the year**	Outstanding balance	Maximum balance outstanding during the year
	₹ in crores	**₹ in crores**	₹ in crores	₹ in crores
(i) Loans and advances in the nature of loans given to subsidiaries and others				
(a) Loans / inter corporate deposits to subsidiaries :				
Chemical Limes Mundwa Private Limited	**-**	**-**	-	1.00
Dirk India Private Limited	**35.68**	**35.68**	10.00	10.00
Kakinada Cements Limited	**-**	**-**	-	0.02
(b) Payments made to employees by way of Loans and advances in the nature of loan where no interest is charged or charged at a rate less than the rate prescribed in Section 372A of the Companies Act, 1956.	**5.70**	**5.70**	5.10	5.25

49. (a) Other income includes ₹ 32.19 crores (previous year ₹ Nil) written back towards interest on income tax relating to earlier years.

(b) Current tax relating to earlier years represents write back of tax provision upon completion of assessments and change in estimate of allowability of certain deductions.

50. Exceptional item for the previous year, represents additional depreciation charge on account of change in method of providing depreciation on fixed assets pertaining to its Captive Power Plants from the 'Straight Line' to the 'Written Down Value'.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
51. Capital work-in-progress includes :		
a) Machinery-in-transit	**37.74**	10.38
b) Expenditure during construction for projects as under :		
Opening balance	**10.97**	5.82
Addition during the year	**4.15**	6.46
	15.12	12.28
Less : Capitalised during the year	**(7.81)**	(1.31)
Balance included in capital work-in-progress	**7.31**	10.97

52. During the year, the Board of Directors and members have approved the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company with effect from 1st April 2013, wherein the Company will acquire HIPL from Holderind Investments Ltd., Mauritius, for a cash consideration of ₹ 3,500 crores and issue of 58.44 crores equity shares of ₹ 2 each at a premium of ₹ 187.66 per share. Pending regulatory approvals, no impact of the Scheme of amalgamation is given in financial statements.

53. Figures less than ₹ 50,000 have been shown at actuals, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

54. Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Signatures to Notes 1 to 54

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman

Rajendra P. Chitale
Chairman-Audit Committee

Paul Hugentobler
Vice Chairman

Nasser Munjee
Director

Omkar Goswami
Director

Bernard Fontana
Director

Shailesh Haribhakti
Director

Haigreve Khaitan
Director

B.L. Taparia
Director

Bernard Terver
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Onne van der Weijde
Managing Director

Mumbai, 6th February, 2014

Independent Auditor's Report

To the Board of Directors of,
Ambuja Cements Limited

We have audited the accompanying consolidated financial statements of Ambuja Cements Limited ("the Company") its subsidiaries and joint ventures, which comprise the consolidated Balance Sheet as at 31 December 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 December 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 30(A)(I)(b)(iv) to the financial statements, relating to the order of the Competition Commission of India ('CCI'), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹ 1,163.91 crores on the Company. The Company has been advised by external legal counsel that it has a good case for the Competition Appellate Tribunal setting aside the order passed by CCI, and accordingly, no provision has been considered necessary by the Company in this regard. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit total assets of ₹ 58.94 crores as at 31 December 2013, total revenues of ₹ 32.17 crores and net cash outflows amounting to ₹ 23.88 crores for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries and joint venture, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and joint venture, is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter. Further, in respect of a joint venture, in the absence of audited financial statements, we have relied on the management certified financial statements and other financial information, the total assets of which is ₹ 0.02 crore as at 31 December 2013, total revenue is ₹ 0.01 crore and net cash outflow amounting to ₹ 0.24 crore for the year then ended.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

per Ravi Bansal
Partner
Membership number: 49365
Place of Signature: Mumbai
Date: 6 February 2014

Consolidated Balance Sheet

As at 31st December, 2013

	Note	₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3	309.17		308.44
Reserves and surplus	4	9,152.72		8,488.97
			9,461.89	8,797.41
Minority interest			0.71	0.84
Non-current liabilities				
Long-term borrowings	5	33.43		39.32
Deferred tax liabilities (net)	6	564.32		548.25
Other long-term liabilities	7	17.58		4.91
Long-term provisions	8	25.53		21.84
			640.86	614.32
Current liabilities				
Short-term borrowings	9	1.08		10.31
Trade payables	10.1	979.76		948.57
Other current liabilities	10.2	796.10		665.14
Short-term provisions	8	1,076.34		1,308.99
			2,853.28	2,933.01
TOTAL			12,956.74	12,345.58
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	11	6,099.90		5,903.75
Intangible assets	11	46.85		47.02
Capital work-in-progress (Refer note 45)		697.50		523.68
			6,844.25	6,474.45
Non-current investments	12	29.60		37.10
Deferred tax assets (net) (share in joint venture)		0.44		0.76
Long-term loans and advances	13	307.24		281.35
Other non-current assets	14.2	247.93		257.63
			585.21	576.84
Current assets				
Current invesments	15	1,683.94		1,543.83
Inventories	16	936.41		986.93
Trade receivables	14.1	235.13		220.54
Cash and bank balances	17	2,344.98		2,260.17
Short-term loans and advances	13	271.35		250.84
Other current assets	14.2	55.47		31.98
			5,527.28	5,294.29
TOTAL			12,956.74	12,345.58
Significant accounting policies	2			

The accompanying notes are integral part of the financial statements.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Mumbai, 6th February, 2014

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman

Rajendra P. Chitale
Chairman-Audit Committee

Paul Hugentobler
Vice Chairman

Nasser Munjee
Director

Omkar Goswami
Director

Bernard Fontana
Director

Shailesh Haribhakti
Director

Haigreve Khaitan
Director

B.L. Taparia
Director

Bernard Terver
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Onne van der Weijde
Managing Director

Consolidated Statement of Profit and Loss

For the year ended 31st December, 2013

	Note	₹ in crores	2013 ₹ in crores	2012 ₹ in crores
Revenue				
Sale of products (gross) (Refer note 37)		**10,335.23**		11,005.96
Less : Excise duty		**1,217.23**		1,266.42
Sale of products (net) (including share in joint venture ₹ 8.22 crores; previous year - ₹ 7.04 crores)			**9,118.00**	9,739.54
Other operating revenues	18		**73.72**	55.49
Revenue from operations (net)			**9,191.72**	9,795.03
Other income	19		**391.33**	348.52
Total revenue			**9,583.05**	10,143.55
Expenses				
Cost of raw materials consumed	20		**654.38**	681.23
Purchase of Stock-in-Trade			**0.71**	0.15
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21		**118.29**	(200.83)
Employee benefits expense	22		**508.72**	487.94
Power and fuel (including share in joint venture ₹ 1.44 crores; previous year - ₹ 1.17 crores) (Refer note 42)			**2,066.30**	2,333.96
Freight and forwarding expenses	23		**2,370.33**	2,299.77
Finance costs	24		**66.75**	78.46
Depreciation and amortisation expense	25		**493.67**	568.68
Other expenses	26		**1,837.34**	1,726.09
			8,116.49	7,975.45
Self consumption of cement (net of excise duty ₹ 0.83 crore; previous year - ₹ 0.71 crore)			**(6.93)**	(6.71)
Total expenses			**8,109.56**	7,968.74
Profit before exceptional items and tax			**1,473.49**	2,174.81
Exceptional items	27		**(24.82)**	279.13
Profit before tax			**1,498.31**	1,895.68
Tax expense :				
For the current year				
Current tax		**430.00**		702.00
Deferred tax (credit) / charge (including share in joint venture ₹ 0.31 crore; previous year - ₹ 0.05 crore)		**30.62**		(96.32)
		460.62		605.68
Relating to earlier years				
Current tax (Refer note 43(b))		**(226.52)**		(1.45)
Less : MAT credit		**-**		0.37
Deferred tax (credit)		**(14.23)**		-
		(240.75)		(1.82)
			219.87	603.86
Profit for the year before minority interest			**1,278.44**	1,291.82
Minority interest			**(0.13)**	(1.39)
Profit for the year			**1,278.57**	1,293.21
			2013 ₹	2012 ₹
Earnings per equity share of ₹ 2 each :	28			
Basic			**8.28**	8.41
Diluted			**8.27**	8.38
Significant accounting policies	2			

The accompanying notes are integral part of the financial statements.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Mumbai, 6th February, 2014

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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Director

B.L. Taparia
Director

Bernard Terver
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Onne van der Weijde
Managing Director

Consolidated Cash Flow Statement

For the year ended 31st December, 2013

		2013	2012
	₹ in crores	₹ in crores	₹ in crores
Cash flows from operating activities			
Profit before tax		**1,498.31**	1,895.68
Adjustment for :			
Depreciation / amortisation	**493.67**		568.68
Depreciation / amortisation (exceptional item) (Refer note 44)	**-**		279.13
Profit on sale of fixed assets	**(2.20)**		(1.71)
Profit on sale of residential flats (exceptional item)	**(24.82)**		-
Loss on assets sold, discarded and written off	**12.03**		8.83
Capital spares consumed	**0.62**		0.40
Deferred revenue expenditure, written off	**-**		0.27
Profit on sale of current investments	**(111.39)**		(71.89)
Finance costs	**66.75**		78.46
Interest income	**(215.58)**		(233.59)
Interest on income tax written back (Refer note 43(a))	**(32.19)**		-
Provision for slow and non moving spares	**11.17**		-
Discounting income on sales tax loan	**(13.41)**		(15.96)
Sales tax loan liability written back on assessment	**(0.04)**		(0.04)
Unrealised exchange (gain) / loss, net	**(1.83)**		(0.22)
Provisions no longer required	**(30.93)**		(19.78)
Inventories written off	**5.69**		18.39
Bad debts, sundry debit balances and claims written off	**2.43**		1.56
Provision for doubtful debts and advances (net) (Refer note 41)	**0.28**		31.73
		160.25	644.26
Operating profit before working capital changes		**1,658.56**	2,539.94
Adjustment for :			
Trade receivables, loans & advances and other assets	**(60.30)**		(45.07)
Inventories	**33.66**		(77.41)
Trade payables, other liabilities and provisions	**64.43**		82.41
		37.79	(40.07)
Cash generated from operations		**1,696.35**	2,499.87
Direct taxes paid (net of refunds ₹ 264.11 crores; previous year - ₹ 360.27 crores)		**(510.14)**	(639.92)
Net cash flow from operating activities (A)		**1,186.21**	1,859.95
Cash flows from investing activities			
Purchase of fixed assets, including capital work in progress and capital advances	**(724.17)**		(698.99)
Proceeds from sale of fixed assets	**36.69**		4.81
Investment in subsidiaries	**-**		(6.41)
Proceeds from investment in joint venture	**7.50**		-
Proceeds from sale / maturity of current investments	**111.39**		71.89
Unclaimed sale proceeds of the odd lot shares of erstwhile Ambuja Cement Eastern Limited (ACEL) and Ambuja Cements Rajasthan Limited (ACRL)	**(0.01)**		(0.01)
Investments in bank deposits (having original maturity of more than three months)	**(138.92)**		(25.53)
Redemption / maturity of bank deposits (having original maturity of more than three months)	**10.76**		9.46
Interest received	**215.30**		206.01
Interest received on Income tax	**32.58**		50.62
Net cash flow used in investing activities (B)		**(448.88)**	(388.15)
Carried forward		**737.33**	1,471.80

Consolidated Cash Flow Statement *(Contd.)*

	₹ in crores	2013 ₹ in crores	2012 ₹ in crores
Brought forward		**737.33**	1,471.80
Cash flows from financing activities			
Proceeds from issuance of equity share capital (including securities premium)	**36.80**		83.07
Infusion of capital by minority shareholders	**-**		0.25
Proceeds from long-term borrowings	**7.72**		0.17
Repayment of long-term borrowings	**(11.67)**		(4.72)
Discounting income on sales tax loan	**13.41**		12.25
Repayment of short-term bank loan	**(9.24)**		-
Interest paid	**(28.74)**		(31.05)
Subsidy received	**-**		0.30
Dividend paid on equity shares	**(554.94)**		(489.94)
Tax on equity dividend paid	**(91.79)**		(79.76)
Net cash flow used in financing activities (C)		**(638.45)**	(509.43)
Net increase in cash and cash equivalents (A + B + C)		**98.88**	962.37
Cash and cash equivalents at the end of the year		**3,964.56**	3,865.68
Cash and cash equivalents at the beginning of the year		**3,865.68**	2,903.31
		98.88	962.37
Components of cash and cash equivalents			
Cash on hand		**0.29**	0.37
Remittance in transit		**5.69**	-
With banks			
In current account		**139.17**	133.43
In deposit account		**2,012.50**	2,065.60
Fixed deposit held as security		**164.36**	38.32
Earmarked for specific purposes (Refer note 3 below)		**22.96**	22.38
		2,344.97	2,260.10
Share in joint ventures		**0.01**	0.07
Cash and bank balance as per note 17		**2,344.98**	2,260.17
Less : Fixed deposits not considered as cash and cash equivalents		**(164.36)**	(38.32)
Add : Deposits with Housing Development Finance Corporation Limited		**100.00**	100.00
Add : Investment in mutual funds		**1,683.94**	1,543.83
Cash and cash equivalents at the year end		**3,964.56**	3,865.68

Notes :

1) Figures in brackets represent cash outflow.
2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3) These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities and unclaimed sale proceeds of odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL.

Significant accounting policies - Note 2

The accompanying notes are integral part of the consolidated financial statements.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Mumbai, 6th February, 2014

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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Haigreve Khaitan
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B.L. Taparia
Director

Bernard Terver
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Onne van der Weijde
Managing Director

Notes to Consolidated Financial Statements

1 Basis of Preparation of Consolidated Financial Statements :

i. The consolidated financial statements have been prepared in compliance with all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, read with General Circular No.15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

ii. Consolidated financial statements are based on historical cost and are prepared on accrual basis.

iii. The consolidated financial statements comprise the financial statements of Ambuja Cements Limited (the Company) and its subsidiaries. The Company and its subsidiaries constitute the Group. Reference in these notes to the 'Company' shall mean to include Ambuja Cements Limited and / or any of its subsidiaries, consolidated in these financial statements unless otherwise stated.

iv. Accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

v. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of consolidated financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates.

vi. Principles of Consolidations :

a. The Subsidiaries and Joint Ventures considered in the preparation of these consolidated financial statements are :

Name of the Company	Country of Incorporation	Holding as on 31.12.2013	Holding as on 31.12.2012	Financial year ended
Subsidiary :				
Kakinada Cements Limited	India	100.00%	100.00%	31.12.2013
M.G.T Cements Private Limited	India	99.99%	99.99%	31.12.2013
Chemical Limes Mundwa Private Limited	India	99.99%	99.99%	31.12.2013
Dang Cement Industries Private Limited	Nepal	91.63%	91.63%	15.07.2013
Dirk India Private Limited	India	80.00%	80.00%	31.03.2013
Dirk Pozzocrete (MP) Private Limited (a 100% subsidiary of Dirk India Private Limited)	India	80.00%	80.00%	31.03.2013
Joint Venture :				
Wardha Vaalley Coal Fields Private Limited	India	27.27%	27.27%	31.03.2013
Counto Microfine Products Private Limited	India	50.00%	50.00%	31.03.2013

b. The consolidated financial statements of the Group have been prepared on the following basis :

i. The consolidated financial statements of the Group are prepared in accordance with Accounting Standard - 21 "Consolidated financial statements", Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated financial statements" and Accounting Standard - 27 "Financial Reporting of Interests in Joint Ventures" as notified by Companies (Accounting Standards) Rules, 2006 (as amended),read with General Circular No. 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.

ii. The consolidated financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and unrealised profits or unrealised losses.

iii. The consolidated financial statements of the Company and its Joint Ventures have been consolidated using the proportionate consolidation method.

iv. In cases where the financial year of Subsidiary and Joint Venture Companies is different from that of the Company, the consolidated financial statements of the said companies have been drawn up so as to be aligned with the financial year of the Company.

v. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's Standalone financial statements.

vi. The excess of cost of investment in the Subsidiary and Joint Venture Companies over the Company's portion of equity of the Subsidiary and Joint Venture at the date of investment made is recognised in the consolidated financial statements as goodwill. This goodwill is tested for impairment at the close of each financial year. The excess of Company's portion of equity of the Subsidiary and Joint Venture over the cost of the investment therein is treated as Capital Reserve.

vii. The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. For non-integral foreign operation, the assets and liabilities are translated at the closing rate. Income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in a foreign currency translation reserve on consolidation until the disposal of the net investment.

Notes to Consolidated Financial Statements *(Contd.)*

2 Significant Accounting Policies :

a. Fixed Assets :

i. Fixed Assets are stated at their original cost of acquisition / installation (net of Modvat / Cenvat credit availed), net of accumulated depreciation, amortisation and impairment losses, except freehold non mining land which is carried at cost less impairment losses.

ii. Capital work in progress is stated at the amount expended up to the date of Balance Sheet.

iii. Machinery spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost net of Modvat / Cenvat.

iv. Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of qualifying fixed assets) incurred on projects under implementation are treated as Pre-operative expenses, pending allocation to the assets, and are included under Capital work-in-progress. These expenses are apportioned to fixed assets on commencement of commercial production.

b. Depreciation and Amortisation :

I. Tangible Assets :

i. Premium on leasehold land is amortised over the period of lease.

ii. Depreciation on assets, other than Vehicles and Captive Power Plant related assets consisting of Building, Plant & Machinery and Electric Installation (CPP assets), is provided on the "Straight Line Method" in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956, and on Vehicles and CPP assets on the "Written Down Value Method" in accordance with the provisions of Section 205(2)(a) of the Companies Act, 1956, in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956, except in respect of certain assets at higher rates consequent to management estimate of useful life. Continuous process plants are identified based on technical assessment and depreciated at the specified rate as per Schedule XIV to the Companies Act, 1956. Depreciation on additions to fixed assets is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production. Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

iii. Machinery spares, which are capitalized, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged to the statement of profit and loss,on issue for consumption.

iv. Cost of mineral reserve 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.

v. Fixed assets, constructed by the Company, but ownership of which vests with the Government / Local Authorities :

a) Expenditure on Power lines is depreciated over the period as permitted in the Electricity Supply Act, 1948 / 2003 as applicable.

b) Expenditure on Marine structures is depreciated over the period of agreement.

c) Expenditure on other fixed assets is depreciated at the rate of depreciation specified in Schedule XIV to the Companies Act, 1956.

II. Intangible Assets :

i. Expenditure to acquire Water drawing rights from Government / Local Authorities / other parties is amortised on straight line method over the period of rights to use the facilities ranging from ten to thirty years.

ii. Expenditure on Computer software is amortised on straight line method over the period of expected benefit not exceeding five years.

c. Impairment of Assets :

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss is increased or reversed depending on changes in circumstances.

d. Investments :

i. Recognition and Measurement

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

ii. Presentation and Disclosure

Investments, which are readily realisable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

e. Inventories :

Inventories are valued as follows

i. Coal, fuel, packing materials, raw materials, stores and spares :

Lower of cost less provision for slow and non-moving inventory, if any, and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

ii. Work-in-progress, finished goods, stock in trade and trial run inventories :

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. 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.

f. Provisions / Contingencies :

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

g. Foreign Currency Conversion :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or expenses in the year in which they arise.

h. Revenue recognition :

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured

i. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Accordingly, domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of date of Bill of Lading. Sales are disclosed net of sales tax / value added tax, discounts and sales returns, as applicable. Sales exclude self-consumption of cement.

ii. Sales include the amount of subsidy due in accordance with the respective incentive schemes.

iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when right to receive is established by the Balance Sheet date.

i. Mines Reclamation Expenses :

The Company provides for the expenses to reclaim 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.

j. 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 plan and the same is charged to the statement of profit and loss for the year when the contributions to the respective funds are due.

ii. Defined Benefit Plan

Retirement benefits in the form of gratuity, post-retirement medical benefit and death & disability benefit are considered as defined benefit obligations and 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.

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 as and when the contribution is due. The deficit, if any, in the accumulated corpus of the trust is recognised in the statement of profit and loss based on actuarial valuation.

iii. Other long-term 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.

k. Employee Stock Compensation cost :

The Company measures compensation cost relating to employee stock option using the fair value method. Discount on Equity Shares as compensation expenses under the Employee Stock Option Scheme, is amortised in accordance with Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 issued by the Securities and Exchange Board of India and the Guidance Note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India.

l. Borrowing Costs and Share Issue Expenses :

i. Borrowing cost attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use.

ii. Expenses on issue of Shares, Debentures and Bonds as well as Premium on Redemption of Debentures are adjusted to Securities Premium Account in accordance with Section 78 of the Companies Act, 1956.

iii. Borrowing cost such as discount or premium and ancillary costs in connection with arrangement of borrowings are amortised over the period of borrowings.

iv. Other borrowing costs are charged as expense in the year in which these are incurred.

m. Taxation :

Tax expense comprises of current income and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 reasonably certain 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.

n. Leases :

Where the Company is the lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor :

i. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

ii. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

o. Segment Reporting Policies :

i. Identification of segments

The Company has only one business segment 'Cementitious Materials' as its primary segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

ii. Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Company as a whole.

p. Cash and Bank Balances :

i. Cash and Bank balances in the Balance Sheet comprise cash at bank including fixed deposits, cheques in hand and cash on hand.

ii. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank, cash on hand and short-term investments with an original maturity of three months or less.

q. Government Grants and Subsidies :

i. Grants and subsidies from the Government are recognised when there is reasonable certainty that the grant / subsidy will be received and all attaching conditions will be complied with.

ii. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

iii. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

iv. Government grants in the nature of Promoters' contribution are credited to capital reserve and treated as a part of Shareholders' Funds.

r. Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
3. Share capital		
Authorised		
2,500,000,000 (previous year - 2,500,000,000) Equity shares of ₹ 2 each	**500.00**	500.00
150,000,000 (previous year - 150,000,000) Preference shares of ₹ 10 each	**150.00**	150.00
Total	**650.00**	650.00
Issued		
1,546,186,806 (previous year - 1,542,510,956) Equity shares of ₹ 2 each fully paid-up	**309.24**	308.51
Subscribed and fully paid up		
1,545,860,286 (previous year - 1,542,184,436) Equity shares of ₹ 2 each fully paid-up	**309.17**	308.44

Additional information :

	As at 31.12.2013		As at 31.12.2012	
	No. of shares	**₹ in crores**	No. of shares	₹ in crores
a) Reconciliation of equity shares outstanding				
At the beginning of the year	**1,542,184,436**	**308.44**	1,534,369,261	306.87
Add : Issued against Employee Stock Option Schemes (ESOS)	**3,675,850**	**0.73**	7,815,175	1.57
At the end of the year	**1,545,860,286**	**309.17**	1,542,184,436	308.44

b) Rights, preferences and restrictions attached to equity shares

The Company has 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 equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
c) Equity shares held by holding company, ultimate holding company and their subsidiaries		
i) Holderind Investments Limited, Mauritius (HIL), the holding company (Refer note 46)		
629,638,433 (previous year - 629,638,433) equity shares of ₹ 2 each fully paid-up	**125.93**	125.93
ii) Holcim India Private Limited (HIPL), a fellow subsidiary (Refer note 46)		
150,670,120 (previous year - 150,670,120) equity shares of ₹ 2 each fully paid-up	**30.13**	30.13

	As at 31.12.2013		As at 31.12.2012	
	No. of shares	**% holding**	No. of shares	% holding
d) Details of equity shares held by shareholders holding more than 5% shares in the Company				
i) Holderind Investments Limited, Mauritius (Refer note 46)	**629,638,433**	**40.73%**	629,638,433	40.83%
ii) Holcim India Private Limited (Refer note 46)	**150,670,120**	**9.75%**	150,670,120	9.77%
iii) Life Insurance Corporation of India	**92,665,449**	**5.99%**	67,525,555	4.38%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

e) Outstanding employee stock options exercisable into 6,381,625 (previous year - 10,165,025) equity shares of ₹ 2 each fully paid up (Refer note 33 (b)).

f) Outstanding tradable warrants and right shares kept in abeyance exercisable into 186,690 (previous year - 186,690) and 139,830 (previous year - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

Notes to Consolidated Financial Statements *(Contd.)*

		As at 31.12.2013	As at 31.12.2012
	₹ in crores	₹ in crores	₹ in crores
4. Reserves and surplus			
Subsidies :			
a) Cash subsidies from Government and other authorities			
Balance as per the last financial statements	**5.13**		4.83
Addition during the year, as capital investment subsidy from State Government	**-**		0.30
	5.13		5.13
b) Grant-in-aid subsidy from DANIDA	**0.12**		0.12
		5.25	5.25
Capital reserve		**132.35**	132.35
Capital redemption reserve		**9.93**	9.93
Securities premium account :			
Balance as per the last financial statements	**1,382.33**		1,293.04
Add : Employee stock options exercised during the year	**36.07**		81.50
Add : Transferred from employee stock options outstanding	**5.52**		7.79
		1,423.92	1,382.33
Employee stock options outstanding :			
Balance as per the last financial statements	**23.86**		32.11
Less : Transferred to securities premium account on exercise of employee stock options	**5.52**		7.79
Less : Transferred to general reserve on lapse of employee stock options	**0.07**		0.46
		18.27	23.86
General reserve :			
Balance as per the last financial statements	**5,887.16**		5,686.70
Add : Transferred from surplus balance in the statement of profit and loss	**150.00**		200.00
Add : Transferred from employee stock options outstanding for lapsed employee stock options	**0.07**		0.46
		6,037.23	5,887.16
Surplus in the statement of profit and loss :			
Balance as per the last financial statements	**1,048.09**		598.72
Profit for the year	**1,278.57**		1,293.21
Less : Appropriations			
Consequent to change in group's interest	**-**		0.96
Interim equity dividend ₹ 1.40 per equity share (previous year - ₹ 1.40 per equity share)	**(216.25)**		(215.52)
Tax on interim equity dividend	**(36.75)**		(34.96)
Proposed final equity dividend ₹ 2.20 per equity share (previous year - ₹ 2.20 per equity share) (Refer note 34)	**(340.09)**		(339.28)
Tax on proposed final equity dividend	**(57.80)**		(55.04)
Transfer to general reserve	**(150.00)**		(200.00)
	(800.89)		(843.84)
		1,525.77	1,048.09
Total		**9,152.72**	8,488.97

	Non-current		Current	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
5. Long-term borrowings				
Secured				
Interest free loan from State Government*	**5.86**	-	**-**	-
Term loan from bank **	**0.14**	1.13	**1.16**	2.55
Unsecured				
Sales tax deferment loan***	**23.29**	34.63	**11.33**	8.18
	29.29	35.76	**12.49**	10.73
Share in joint ventures	**4.14**	3.56	**-**	-
Total	**33.43**	39.32	**12.49**	10.73
Less : Amount disclosed under the head "Other current liabilities" (Refer note 10.2)	**-**	-	**(12.49)**	(10.73)
Total	**33.43**	39.32	**-**	-

* Secured by bank guarantee and is repayable on 27th February 2020.

** Term loans from bank carries floating interest @ 13% p.a.. The loan is secured against certain assets of a subsidiary, repayable in monthly installments of ₹ 0.10 crore upto March 2015.

*** Sales tax deferment loan is interest free and payable in 10 annual installments starting from April 2007 to April 2016 of varying amounts from ₹ 1.52 crores to ₹ 13.23 crores.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
6. Deferred tax liabilities (net)		
Deferred tax liabilities, on account of :		
Depreciation and amortisation	**695.79**	656.46
	695.79	656.46
Deferred tax assets, on account of :		
Employee benefits	**30.56**	35.47
Provision for slow and non moving spares	**26.71**	21.93
Others	**74.20**	50.81
	131.47	108.21
Net deferred tax liabilities	**564.32**	548.25
7. Other long-term liabilities		
Trade payables	**13.25**	-
Liability for capital expenditure	**4.33**	4.91
Total	**17.58**	4.91

	Long-term		Short-term	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
8. Provisions				
Provision for employee benefits				
Provision for gratuity and staff benefit schemes	**12.72**	10.19	**0.31**	0.15
Provision for compensated absences	**-**	-	**69.29**	67.57
	12.72	10.19	**69.60**	67.72
Other provisions				
Provision for wealth tax, net of advances	**-**	-	**0.34**	0.36
Provision for Income tax, net of advances (including interest thereon)	**-**	-	**605.93**	845.32
Provision for mines reclamation expenses*	**12.78**	11.63	**2.57**	1.26
Proposed equity dividend	**-**	-	**340.09**	339.28
Provision for tax on proposed equity dividend	**-**	-	**57.80**	55.04
	12.78	11.63	**1,006.73**	1,241.26
	25.50	21.82	**1,076.33**	1,308.98
Share in joint ventures	**0.03**	0.02	**0.01**	0.01
Total	**25.53**	21.84	**1,076.34**	1,308.99

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
8. Provisions *(Contd.)*		
* Movement during the year		
Opening balance	**12.89**	11.28
Add : Provision during the year	**3.47**	2.87
	16.36	14.15
Less : Utilisation during the year	**1.01**	1.26
Closing balance	**15.35**	12.89

Mines reclamation expenses are incurred on an ongoing basis and until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
9. Short-term borrowings		
Cash credit from a bank (secured)*	**-**	7.94
Loan from a bank	**-**	0.10
	-	8.04
Share in joint ventures	**1.08**	2.27
Total	**1.08**	10.31

* Secured against hypothecation of certain inventory and receivables of a subsidiary. The cash credit is repayable on demand and carries interest @ 12% p.a.

10. Trade payables and other current liabilities

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
10.1 Trade payables		
Trade payables (Refer note 36 for details of dues to micro and small enterprises)	**978.74**	947.30
Share in joint ventures	**1.02**	1.27
Total	**979.76**	948.57
10.2 Other current liabilities		
Current maturities of long-term borrowing	**12.49**	10.73
Interest accrued but not due on borrowings	**0.03**	0.05
Unclaimed dividends*	**20.34**	19.75
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL*	**2.62**	2.63
Liability for capital expenditure	**161.46**	60.60
Security deposits	**275.22**	243.50
Interest payable	**27.89**	21.99
Advance received from customers	**60.20**	68.03
Excise duty payable	**89.70**	96.94
Service tax payable	**6.21**	5.20
Tax deducted at source payable	**8.91**	8.74
Sales tax payable	**107.03**	108.88
Others	**22.50**	16.66
	794.60	663.70
Share in joint ventures	**1.50**	1.44
Total	**796.10**	665.14
Total	**1,775.86**	1,613.71

* Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates.

11. Tangible and intangible assets

₹ in crores

	Tangible assets														Intangible assets			
	Freehold non mining land	Freehold mining land	Leasehold land	Buildings, roads and water works (a)	Marine structures (b)	Plant and machinery (c)	Electrical installations	Railway sidings and locomotives (d)	Railway wagons given on lease (e)	Furniture and fixtures	Office equipment	Ships	Vehicles	Power lines (f)	Total	Water drawing rights	Computer software	Goodwill	Total
Gross carrying value, at cost																			
Opening as on 1st January, 2012	292.91	223.80	117.74	1,322.95	95.58	6,328.92	654.46	65.85	6.43	40.50	104.15	247.49	68.09	100.94	9,669.81	6.18	61.41	40.30	107.89
Additions	28.49	37.74	6.83	82.35	-	318.88	27.13	0.41	-	2.90	10.05	0.38	23.63	-	538.79	-	0.23	5.85	6.08
Deductions / transfers	0.12	-	-	0.26	-	37.40	4.10	-	-	0.88	4.03	-	4.17	0.04	51.00	-	-	-	-
As at 31st December 2012	321.28	261.54	124.57	1,405.04	95.58	6,610.40	677.49	66.26	6.43	42.52	110.17	247.87	87.55	100.90	10,157.60	6.18	61.64	46.15	113.97
Additions	**17.83**	**102.39**	**1.93**	**187.07**	**-**	**323.88**	**31.64**	**11.69**	**-**	**3.12**	**18.65**	**0.85**	**9.81**	**0.84**	**709.70**	**-**	**-**	**-**	**-**
Deductions / transfers	**1.27**	**0.76**	**-**	**5.31**	**-**	**44.04**	**1.69**	**-**	**-**	**0.86**	**6.63**	**-**	**7.62**	**-**	**68.18**	**-**	**-**	**-**	**-**
As at 31st December 2013	**337.84**	**363.17**	**126.50**	**1,586.80**	**95.58**	**6,890.24**	**707.44**	**77.95**	**6.43**	**44.78**	**122.19**	**248.72**	**89.74**	**101.74**	**10,799.12**	**6.18**	**61.64**	**46.15**	**113.97**
Depreciation / amortisation																			
Opening as on 1st January, 2012	-	-	11.83	199.34	55.91	2,740.83	213.13	30.00	4.53	24.43	52.50	83.40	32.04	13.13	3,461.07	5.57	59.91	-	65.48
Charge for the year (g)	-	31.23	3.58	75.76	3.82	612.33	70.22	2.92	0.31	2.41	15.65	11.49	9.14	7.09	845.95	0.22	1.26	-	1.48
Deductions / transfers	-	-	-	0.08	-	29.12	2.86	-	-	0.81	3.29	-	3.21	0.02	39.39	-	-	-	-
As at 31st December 2012	-	31.23	15.41	275.02	59.73	3,324.04	280.49	32.92	4.84	26.03	64.86	94.89	37.97	20.20	4,267.63	5.79	61.17	-	66.96
Charge for the year (g)	**-**	**5.14**	**1.76**	**39.10**	**3.82**	**363.66**	**35.34**	**3.48**	**0.31**	**2.16**	**11.79**	**10.78**	**11.74**	**3.89**	**492.97**	**0.02**	**0.15**	**-**	**0.17**
Deductions / transfers	**-**	**0.23**	**-**	**1.49**	**-**	**32.20**	**1.31**	**-**	**-**	**0.66**	**5.51**	**-**	**6.88**	**-**	**48.28**	**-**	**-**	**-**	**-**
As at 31st December 2013	**-**	**36.14**	**17.17**	**312.63**	**63.55**	**3,655.50**	**314.52**	**36.40**	**5.15**	**27.53**	**71.14**	**105.67**	**42.83**	**24.09**	**4,712.32**	**5.81**	**61.32**	**-**	**67.13**
Net carrying value																			
As at 31st December 2012	321.28	230.31	109.16	1,130.02	35.85	3,286.36	397.00	33.34	1.59	16.49	45.31	152.98	49.58	80.70	5,889.97	0.39	0.47	46.15	47.01
Share in joint ventures	-	-	0.62	5.27	-	7.82	-	-	-	0.03	0.04	-	-	-	13.78	-	0.01	-	0.01
Total	321.28	230.31	109.78	1,135.29	35.85	3,294.18	397.00	33.34	1.59	16.52	45.35	152.98	49.58	80.70	5,903.75	0.39	0.48	46.15	47.02
As at 31st December 2013	**337.84**	**327.03**	**109.33**	**1,274.17**	**32.03**	**3,234.74**	**392.92**	**41.55**	**1.28**	**17.25**	**51.05**	**143.05**	**46.91**	**77.65**	**6,086.80**	**0.37**	**0.32**	**46.15**	**46.84**
Share in joint ventures	**-**	**-**	**0.60**	**5.20**	**-**	**7.24**	**-**	**-**	**-**	**0.02**	**0.04**	**-**	**-**	**-**	**13.10**	**-**	**0.01**	**-**	**0.01**
Total	**337.84**	**327.03**	**109.93**	**1,279.37**	**32.03**	**3,241.98**	**392.92**	**41.55**	**1.28**	**17.27**	**51.09**	**143.05**	**46.91**	**77.65**	**6,099.90**	**0.37**	**0.33**	**46.15**	**46.85**

Notes :

(a) Includes :

i) Premises on ownership basis of ₹ 101.10 crores (previous year - ₹ 102.91 crores) and ₹ 13.12 crores (previous year - ₹ 11.17 crores) being the depreciation thereon upto 31st December, 2013 and cost of shares in co-operative Societies are ₹ 12,630 (previous year - ₹ 12,630).

ii) ₹ 23.54 crores (previous year - ₹ 23.81 crores) being cost of roads constructed by the Company, ownership of which vests with the Government / Local authorities and ₹ 2.73 crores (previous year - ₹ 2.12 crores) being the depreciation thereon upto 31st December, 2013.

(b) Cost incurred by the Company, ownership of which vests with the State Maritime Boards.

(c) Includes ₹ 38.38 crores (previous year - ₹ 34.55 crores) being cost of bulkers and tipppers used as material handling equipment, which are being depreciated under the "written down value method" at the rate applicable to vehicles and ₹ 29.35 crores (previous year - ₹ 26.40 crores) being the depreciation thereon upto 31st December, 2013.

(d) Includes ₹ 12.18 crores (previous year - ₹ 10.08 crores) being cost of railway sidings constructed by the Company, ownership of which vests with the Railway authorities and ₹ 3.88 crores (previous year - ₹ 3.31 crores) being the depreciation thereon upto 31st December, 2013.

(e) Railway wagons given on lease to the railway under "Own your wagon scheme".

(f) Cost incurred by the Company, ownership of which vests with the State Electricity Boards.

(g) i) Include ₹ 0.30 crore (previous year - ₹ 0.44 crore) capitalised as pre-operative expenses and exceptional item of ₹ Nil (previous year - ₹ 279.13 crores).

ii) Depreciation expense includes credit of ₹ 10.84 crores for the year ended 31st December, 2013 and includes a charge of ₹ 27.91 crores for the year ended 31st December, 2012, in respect of earlier years.

Notes to Consolidated Financial Statements *(Contd.)*

	₹ in crores	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
12. Non-current investments			
Unquoted			
Trade investments (valued at cost, unless stated otherwise)			
In fully paid preference shares :			
6.50% redeemable cumulative preference shares of ₹ 10 each in Counto Microfine Products Private Limited		-	7.50
Other investments (valued at cost, unless stated otherwise)			
Government and trust securities			
National savings certificate ₹ 36,500/- (previous year - ₹ 31,500/-) deposited with Government department as security			
Equity shares			
In fully paid equity shares :			
1,000,000 (1,000,000) Equity shares of ₹ 10 each in Gujarat Goldcoin Ceramics Limited	**1.00**		1.00
Less : provision for diminution in value of investment	**1.00**		1.00
		-	-
Public sector bonds			
296 (296) 5.13% taxable redeemable bonds of ₹ 1,000,000 each of Himachal Pradesh Infrastructure Development Bonds (Refer note 30 (B))		**29.60**	29.60
Total		**29.60**	37.10

	Book value as at 31.12.2013 ₹ in crores	Book value as at 31.12.2012 ₹ in crores
Aggregate amount of unquoted investments	**30.60**	38.10
Less : aggregate provision for diminution in value of investments	**1.00**	1.00
Total	**29.60**	37.10

	Non-current		Current	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
13. Loans and advances				
Unsecured, considered good				
Capital advances	**142.05**	161.24	-	-
Security deposit	**61.28**	64.91	-	-
Advance to related party (Refer note 31(2)(B)(5))	-	-	**0.15**	-
Deposit given to Housing Development Finance Corporation Limited	-	-	**100.00**	100.00
Advances recoverable in cash or kind	**0.39**	3.18	**86.13**	63.56
Other loans and advances				
Balances with Statutory / Government authorities	**26.94**	11.24	**65.96**	68.91
Loans to employees	**1.36**	1.54	**4.37**	3.63
Prepaid expenses	**31.48**	31.37	**14.16**	14.08
Income tax advances (net of provisions)	**43.73**	7.82	**0.09**	-
	307.23	281.30	**270.86**	250.18
Unsecured, considered doubtful				
Capital advances	**2.61**	3.21	-	-
Advance recoverable in cash or kind	-	3.18	**8.58**	63.56
	2.61	6.39	**8.58**	63.56
Less : Provision for doubtful advances	**(2.61)**	(6.39)	**(8.58)**	(63.56)
	307.23	281.30	**270.86**	250.18
Share in joint ventures	**0.01**	0.05	**0.49**	0.66
Total	**307.24**	281.35	**271.35**	250.84

	Non-current		Current	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
14. Trade receivables and other assets				
14.1 Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	**-**	-	**0.21**	0.33
Unsecured, considered good	**-**	-	**3.31**	1.95
Unsecured, considered doubtful	**-**	-	**6.21**	7.40
	-	-	**9.73**	9.68
Less : Provision for doubtful receivables	**-**	-	**(6.21)**	(7.40)
	-	-	**3.52**	2.28
Others				
Secured, considered good	**-**	-	**105.53**	83.35
Unsecured, considered good	**-**	-	**123.72**	133.61
	-	-	**229.25**	216.96
	-	-	**232.77**	219.24
Share in joint ventures	**-**	-	**2.36**	1.30
Total	**-**	-	**235.13**	220.54
14.2 Other assets				
Unsecured, considered good				
Incentives receivable under State Government incentive schemes	**235.07**	246.89	**30.11**	1.62
Non-current bank balance (Refer note 17)	**12.82**	10.70	**-**	-
Interest accrued on fixed deposit	**-**	-	**20.39**	22.97
Interest accrued on investments	**-**	-	**1.02**	1.02
Scrapped assets awaiting disposal (at net book value or estimated net realisable value whichever is less)	**-**	-	**0.69**	0.82
Others	**-**	-	**3.26**	5.55
	247.89	257.59	**55.47**	31.98
Unsecured, considered doubtful				
Incentives receivable under State Government incentive schemes	**31.84**	31.84	**-**	-
Less : Provision	**(31.84)**	(31.84)	**-**	-
	-	-	**-**	-
Share in joint ventures (Refer note 17)	**0.04**	0.04	**-**	-
Total	**247.93**	257.63	**55.47**	31.98

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
15. Current investments		
(Valued at lower of cost and fair value, unless stated otherwise)		
Unquoted :		
In units of mutual funds, fully paid up	**1,683.94**	**1,543.83**
Total	**1,683.94**	**1,543.83**
16. Inventories		
(At cost, less provision for slow and non moving inventory or net realisable value whichever is lower)		
Raw materials (including in transit - ₹ 0.70 crore; previous year - ₹ 2.08 crores)	**54.19**	53.84
Work-in-progress	**223.53**	303.04
Finished goods	**106.22**	145.30
Stock-in-Trade (including in transit - ₹ 0.36 crore; previous year - ₹ Nil)	**0.36**	-
Stores and spares (including in transit - ₹ 7.34 crores; previous year - ₹ 8.51 crores)	**203.26**	228.73
Coal and fuel (including in transit ₹ 24.23 crores; previous year - ₹ 5.11 crores)	**333.79**	240.48
Packing materials (including in transit - ₹ Nil; previous year - ₹ 0.60 crore)	**14.19**	14.52
	935.54	985.91
Share in joint ventures	**0.87**	1.02
Total	**936.41**	986.93

	Non-current		Current	
	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
17. Cash and bank balances				
Cash and cash equivalents :				
Balances with bank :				
In current accounts	**-**	-	**139.16**	133.43
Deposit with original maturity upto 3 months	**-**	-	**2,012.50**	2,065.60
	-	-	**2,151.66**	2,199.03
Cash on hand	**-**	-	**0.29**	0.37
Remittance in transit	**-**	-	**5.69**	-
Earmarked balances with banks	**-**	-	**22.96**	22.38
	-	-	**2,180.60**	2,221.78
Other bank balances :				
Fixed deposit with banks *				
Original maturity more than 3 months and upto 12 months	**-**	-	**164.36**	37.79
Original maturity more than 12 months	**12.82**	10.70	**-**	0.53
	12.82	10.70	**164.36**	38.32
	12.82	10.70	**2,344.96**	2,260.10
Share in joint ventures	**0.04**	0.04	**0.02**	0.07
	12.86	10.74	**2,344.98**	2,260.17
Less : Amount disclosed under non-current asset (Refer note 14.2)	**(12.86)**	(10.74)	**-**	-
Total	**-**	-	**2,344.98**	2,260.17

* Given as security against bank guarantees and others.

		2013	2012
	₹ in crores	**₹ in crores**	₹ in crores
18. Other operating revenues			
Sale of power		**2.25**	2.55
Provision no longer required		**30.93**	19.78
Sale of scrap		**26.87**	17.53
Miscellaneous income		**13.63**	15.58
		73.68	55.44
Share in joint ventures		**0.04**	0.05
Total		**73.72**	55.49
19. Other income			
Interest income on :			
Bank deposits	**208.22**		204.60
Long-term investments	**1.52**		1.52
Income tax refund	**1.25**		23.80
Others	**4.59**		3.67
		215.58	233.59
Discounting income on sales tax loan		**13.41**	15.96
Profit on sale of current investments		**111.39**	71.89
Profit on sale of fixed assets		**2.20**	1.71
Insurance claims		**13.91**	11.66
Others (Refer note 43 (a))		**34.83**	13.69
		391.32	348.50
Share in joint ventures		**0.01**	0.02
Total		**391.33**	348.52

			2013	2012
		₹ in crores	₹ in crores	₹ in crores
20.	**Cost of raw materials consumed (Refer note 39 and 42)**			
	Opening stock		**53.84**	45.48
	Add : purchases		**652.95**	687.97
	Less : closing stock		**54.19**	53.84
			652.60	679.61
	Share in joint ventures		**1.78**	1.62
	Total		**654.38**	681.23
	Break-up of raw materials consumed			
	Fly ash		**315.18**	305.92
	Gypsum		**207.58**	236.20
	Others		**129.84**	137.49
			652.60	679.61
	Share in joint ventures		**1.78**	1.62
	Total		**654.38**	681.23
21.	**Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**			
	Closing stock :			
	Work-in-progress	**223.53**		303.04
	Finished goods	**106.22**		145.30
	Stock-in-Trade	**0.36**		-
			330.11	448.34
	Opening stock :			
	Work-in-progress	**303.04**		161.67
	Finished goods	**145.30**		85.77
			448.34	247.44
			118.23	(200.90)
	Share in joint ventures		**0.06**	0.07
	(Increase) / Decrease		**118.29**	(200.83)
22.	**Employee benefits expense**			
	Salaries and wages		**436.15**	411.97
	Contribution to provident and other fund		**36.46**	45.07
	Staff welfare expenses		**35.59**	30.36
			508.20	487.40
	Share in joint ventures		**0.52**	0.54
	Total		**508.72**	487.94
23.	**Freight and forwarding expenses (Refer note 39)**			
	On internal material transfer		**582.69**	584.35
	On finished products		**1,787.57**	1,715.30
			2,370.26	2,299.65
	Share in joint ventures		**0.07**	0.12
	Total		**2,370.33**	2,299.77
24.	**Finance costs**			
	Interest :			
	On Term loans		**0.34**	0.07
	On Income tax (net of interest income on refund ₹ 31.33 crores; previous year - ₹ 26.82 crores)		**32.12**	39.72
	Others		**33.46**	37.74
			65.92	77.53
	Share in joint ventures		**0.83**	0.93
	Total		**66.75**	78.46

	₹ in crores	2013 ₹ in crores	2012 ₹ in crores
25. Depreciation and amortisation expense			
Depreciation on tangible assets (Refer note 11 (g)(ii))		**492.67**	566.38
Amortisation on intangible assets		**0.17**	1.48
		492.84	567.86
Share in joint ventures		**0.83**	0.82
Total		**493.67**	568.68
26. Other expenses			
Royalty and cess		**133.28**	142.29
Stores and spares consumed (Refer note 42)		**336.42**	327.89
Provision for slow and non moving spares (net)		**11.17**	-
Packing materials consumed		**380.35**	342.06
Repairs and maintenance :			
Building	**6.47**		4.09
Plant and machinery	**153.88**		136.68
Others	**16.51**		16.36
		176.86	157.13
Excise duty :			
Excise duty on captive consumption of clinker	**24.81**		44.58
Excise duty variation on opening / closing stock	**(9.34)**		10.96
		15.47	55.54
Rent (Refer note 38)		**34.09**	28.84
Rates and taxes		**21.32**	17.59
Insurance		**20.99**	26.43
Technology and Know-How fee		**90.20**	-
Legal and professional fees		**85.55**	77.50
Advertisement and publicity		**88.99**	90.32
Commission on sales		**24.13**	23.27
Discount on sales		**45.00**	45.71
Selling and distribution expenses		**18.48**	16.76
Donation		**52.57**	40.09
Loss on assets sold, discarded and written off		**12.03**	8.83
Bad debts, sundry debit balances and claims written off		**2.43**	1.57
Provision for doubtful debts and advances (net) (Refer note 41)		**0.28**	31.73
Deferred revenue expenditure, written off		**-**	0.27
Miscellaneous expenses		**285.72**	289.59
		1,835.33	1,723.41
Share in joint ventures		**2.01**	2.68
Total		**1,837.34**	1,726.09
27. Exceptional items			
Depreciation on tangible assets (Refer note 44)		**-**	279.13
Profit on sale of residential flats		**(24.82)**	-
Total		**(24.82)**	279.13

	2013 ₹ in crores	2012 ₹ in crores
28. Earnings per equity share (EPS) :		
(i) Profit attributable to equity shareholders for basic and diluted EPS	**1,278.57**	1293.21
	Nos.	Nos.
(ii) Weighted average number of equity shares for basic EPS	**1,543,837,913**	1,537,900,433
Add : Potential equity shares on exercise of option of ESOS	**2,448,827**	4,554,733
Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992	**275,514**	278,802
Weighted average number of shares for diluted EPS	**1,546,562,254**	1,542,733,968
	₹	₹
(iii) Nominal value of equity share	**2.00**	2.00
(iv) Earnings per equity share		
Basic	**8.28**	8.41
Diluted	**8.27**	8.38

	2013 ₹ in crores	2012 ₹ in crores
29. Segment reporting :		
The Company has only one business segment 'Cementitious Materials' as primary segment. The secondary segment is geographical, which is given as under :		
(a) Revenue from operations		
(i) Sale of products (Net of excise duty)		
Within India	**9,038.57**	9,659.36
Outside India	**71.22**	73.13
	9,109.79	9,732.49
Share in joint ventures	**8.21**	7.05
Total	**9,118.00**	9,739.54
(ii) Other operating revenues		
Within India	**73.50**	55.25
Outside India	**0.18**	0.19
	73.68	55.44
Share in joint ventures	**0.04**	0.05
Total	**73.72**	55.49

(b) All the assets of the Company, except the trade receivables, loans and advances and other assets amounting to ₹ 41.54 crores (previous year - ₹ 21.35 crores), including share in joint venture ₹ 0.03 crore (prevoius year - ₹ 0.12 crore) are within India.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
30. (A) Contingent liabilities and commitments (to the extent not provided for)		
(I) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts		
(i) Labour matters	**21.74**	18.95
(ii) Land matters.	**60.30**	67.03
(iii) Others	**61.04**	31.46
(b) Other matters for which the company is contingently liable		
(i) Tax matters		
(a) Income tax demands (including interest) - matter under appeal	**10.70**	5.37
(b) Sales tax demands (including interest and penalty)	**19.63**	16.24
(c) Excise demands under appeal	**26.10**	27.81
(d) Customs demands	**33.45**	-
(e) Land tax demands	**18.25**	17.65
(f) Others	**16.30**	0.80
(ii) Relating to railway freight on cement - matter once decided in favour of the Company by the Honourable High Court of Gujarat was remanded back by the Honourable Supreme Court pursuant to a Special Leave Petition filed by the railways.	**7.92**	7.65
(iii) Relating to coal claims - matter pending in the Honourable High Court of Calcutta		
(a) Railway freight on coal	**1.60**	1.60
(b) Penal freight on excess weight of coal	**0.24**	0.24
(c) Interest on premium on coal	**3.29**	3.29
(iv) The Competition Commission of India issued an Order dated 20th June, 2012, imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,163.91 crores on the Company. The Company had filed an appeal against the said Order with the Competition Appellate Tribunal (COMPAT). Pending final disposal of the appeal, the Hon'ble Tribunal, vide its order dated 17th May, 2013, has stayed the penalty with a condition to deposit 10% of the penalty amount, which has been deposited in the form of bank fixed deposit with lien in favour of COMPAT. The fixed deposit has been renewed along with interest of ₹ 4.36 crores. 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.	**1,163.91**	1,163.91
In respect of items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
(II) Guarantee given on behalf of joint venture company	**6.60**	3.67
(iii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**647.73**	680.87
(B) The Honourable High Court of Himachal Pradesh had passed an order in favour of the Company for its claim in respect of power subsidy in the form of Power Tariff Freeze (PTF) and Peak Load Exemption Charges (PLEC). Against this, Government of Himachal Pradesh had issued 296, 5.13% H P Infrastructure Development Bonds of face value of ₹ 1,000,000 each, having a value of ₹ 29.60 crores and balance of ₹ 0.08 crore was refunded to the Company.		
The Government of Himachal Pradesh has filed Special Leave Petition in the Honourable Supreme Court against the decision of the Honourable High Court of Himachal Pradesh. The Company has given an undertaking to refund ₹ 29.68 crores paid by the State Government together with interest thereon up to the date of final judgment in time bound manner, in the event that the matter is decided against the Company..	**29.68**	29.68

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
(C) The Government of Rajasthan has granted 75% exemption from Sales Tax in respect of Rabriyawas unit. However, the eligibility of exemption in excess of 25% has been contested by the State Government in a similar matter of another Company. The matter is pending before the Honourable Supreme Court. The Company has given an undertaking to the Government of Rajasthan that the Company will deposit the differential amount of Sales tax, in case the Supreme Court's decision goes against in the matter referred above	**82.16**	82.16
(D) Writ petition filed against the order of Madhya Pradesh State Mining Department demanding ₹ 4.76 crores excluding interest ₹ 1.13 crores towards payment of additional royalty on limestone based on the ratio of 1.6 tonnes of limestone to 1 tonne of cement produced at its factory in Chhattisgarh. The matter is now pending before Honourable High Court at Bilaspur	**102.87**	85.02

31. Related party disclosure :

1 Name of related parties

(A) Names of the related parties where control exists	**Nature of relationship**
(I) Holcim Limited, Switzerland	Ultimate Holding Company
(II) Holderfin BV, Netherlands	Intermediate Holding Company
(III) Holderind Investments Limited, Mauritius	Holding Company

(B) Others - with whom transactions have taken place during the year

(I) Names of other related parties	**Nature of relationship**
(a) ACC Limited	Fellow Subsidiary
(b) Holcim (India) Private Limited, India (Refer note 46)	Fellow Subsidiary
(c) Holcim (Lanka) Limited, Sri Lanka	Fellow Subsidiary
(d) Holcim Malaysia SDN Bhd, Malaysia	Fellow Subsidiary
(e) Holcim (Vietnam) Limited, Vietnam	Fellow Subsidiary
(f) Holcim Environment Services SA, Belgium	Fellow Subsidiary
(g) Holcim Group Services Limited, Switzerland	Fellow Subsidiary
(h) Holcim Technology Limited, Switzerland	Fellow Subsidiary
(i) Holcim Group Support Limited, Switzerland	Fellow Subsidiary
(j) Holcim Philippines, Inc., Philippines	Fellow Subsidiary
(k) Holcim Services (South Asia) Limited	Fellow Subsidiary
(l) Holcim Services (Asia) Limited, Thailand	Fellow Subsidiary
(m) Holcim Trading FZCO, UAE	Fellow Subsidiary
(n) Holcim Trading Pte Limited, Singapore	Fellow Subsidiary
(o) Holcim Trading SA, Spain	Fellow Subsidiary
(p) PT Holcim Indonesia Tbk., Indonesia	Fellow Subsidiary
(q) Holcim Cement (Bangladesh) Limited, Bangladesh	Fellow Subsidiary
(r) Siam City Cement Public Company Limited, Thailand	Joint Venture of Fellow Subsidiary (w.e.f. 01.01.2013), (erstwhile a fellow subsidiary)

(II) Key management personnel

Name of the related parties	**Nature of relationship**
(a) Mr. Onne van der Weijde	Managing Director
(b) Mr. Ajay Kapur	Deputy Managing Director & Chief Executive Officer (w.e.f. 01.08.2013)

31. Related party disclosure : *(Contd.)*

2 Details of related party transactions

Sr. No.	**Description**	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
A)	**Transactions with fellow subsidiaries**		
1	Purchase of goods	**26.23**	65.36
	ACC Limited	**20.27**	7.54
	Holcim Trading FZCO, UAE	**2.34**	57.82
	Holcim Trading Pte Limited, Singapore	**3.62**	-
2	Sale of goods	**79.95**	49.59
	ACC Limited	**24.01**	24.66
	Holcim Trading FZCO, UAE	**-**	23.27
	Holcim (Lanka) Limited, Sri Lanka	**-**	0.17
	PT Holcim Indonesia Tbk., Indonesia.	**0.06**	0.11
	Holcim Trading Pte Limited, Singapore	**55.86**	1.38
	Holcim Philippines, Inc., Philippines	**0.02**	-
3	Sale of fixed assets	**3.79**	0.38
	ACC Limited	**3.79**	0.38
4	Rendering of services	**0.94**	-
	ACC Limited	**0.65**	-
	Holcim (Lanka) Limited, Sri Lanka (₹ 22,298)		-
	PT Holcim Indonesia Tbk., Indonesia	**0.01**	-
	Holcim Cement (Bangladesh) Limited, Bangladesh	**0.28**	-
5	Receiving of services	**139.26**	69.78
	ACC Limited	**5.61**	4.43
	Holcim (Lanka) Limited, Sri Lanka	**-**	0.11
	Holcim Group Services Limited, Switzerland	**2.72**	-
	Holcim Technology Limited, Switzerland	**90.20**	-
	Holcim (Vietnam) Limited, Vietnam	**-**	0.11
	Holcim Trading SA, Spain	**-**	0.41
	Holcim Group Support Limited, Switzerland	**-**	32.13
	Holcim Services (Asia) Limited, Thailand	**0.05**	0.11
	Holcim Services (South Asia) Limited	**35.28**	32.42
	Holcim Trading Pte Limited, Singapore (previous year ₹ 44,372)	**5.35**	
	PT Holcim Indonesia Tbk., Indonesia	**0.05**	0.01
	Siam City Cement Public Company Limited, Thailand	**-**	0.05
6	Interest charged	**0.01**	0.02
	ACC Limited	**-**	0.02
	Holcim (Lanka) Limited, Sri Lanka	**0.01**	-
7	Other recoveries	**0.76**	3.00
	ACC Limited	**0.01**	1.71
	Holcim (Lanka) Limited, Sri Lanka	**0.20**	1.23
	Holcim Group Support Limited, Switzerland	**-**	0.02
	Holcim Trading Pte Limited, Singapore	**-**	0.04
	Holcim Services (South Asia) Limited (previous year ₹ 33,605)	**-**	
	Holcim Technology Limited, Switzerland	**0.55**	-
8	Other payments	**0.03**	0.05
	ACC Limited (previous year ₹ 7,303)	**-**	
	Holcim Trading FZCO, UAE	**0.01**	0.05
	Holcim (Lanka) Limited, Sri Lanka	**0.02**	-
9	Amounts receivable at the year end	**13.37**	3.03
	ACC Limited	**8.73**	0.79
	Holcim (Lanka) Limited, Sri Lanka	**0.20**	0.32
	Holcim Trading Pte Limited, Singapore	**4.12**	0.12
	Holcim Trading FZCO, UAE	**-**	1.80
	Holcim Services (South Asia) Limited (previous year ₹ 11,236)	**-**	
	PT Holcim Indonesia Tbk., Indonesia	**0.02**	-
	Holcim Philippines, Inc., Philippines	**0.02**	-
	Holcim Cement (Bangladesh) Limited, Bangladesh	**0.28**	-

Notes to Consolidated Financial Statements *(Contd.)*

31. Related party disclosure : *(Contd.)*

2 Details of related party transactions *(Contd.)*

Sr. No.	**Description**	**As at 31.12.2013 ₹ in crores**	As at 31.12.2012 ₹ in crores
A)	**Transactions with fellow subsidiaries** *(Contd.)*		
10	Amounts payable at the year end	**26.57**	14.45
	ACC Limited	**0.96**	1.81
	Holcim (Lanka) Limited, Sri Lanka	**-**	0.10
	Holcim Technology Limited, Switzerland	**19.44**	-
	Holcim Group Support Limited, Switzerland	**-**	8.11
	Holcim Group Services Limited, Switzerland	**1.45**	-
	Holcim Philippines Inc. Philippines	**0.02**	0.01
	Holcim Services (Asia) Limited, Thailand	**0.05**	0.11
	Holcim Services (South Asia) Limited	**4.13**	2.13
	Holcim Trading SA, Spain	**-**	0.41
	Holcim Trading FZCO, UAE	**0.39**	1.62
	Holcim Trading Pte Limited, Singapore	**0.08**	-
	PT Holcim Indonesia Tbk., Indonesia	**0.05**	0.15
B)	**Transactions with joint ventures**		
1	Purchase of goods	**0.01**	0.04
	Counto Microfine Products Private Limited	**0.01**	0.04
2	Receiving of services	**0.01**	-
	Siam City Cement Public Company Limited, Thailand	**0.01**	-
3	Equity contribution	**0.15**	-
	Wardha Vaalley Coal Field Private Limited	**0.15**	-
4	Guarantees given outstanding at the year end	**6.60**	3.67
	Wardha Vaalley Coal Field Private Limited	**6.60**	3.67
5	Amounts receivable at the year end	**0.15**	-
	Wardha Vaalley Coal Field Private Limited	**0.15**	-
6	Amounts payable at the year end	**0.01**	-
	Siam City Cement Public Company Limited, Thailand	**0.01**	-
C)	**Transactions with key management personnel**		
1	Remuneration	**6.16**	3.69
	Mr. Onne van der Weijde	**3.84**	3.69
	Mr. Ajay Kapur	**2.32**	-
2	Amounts payable at the year end	**1.54**	0.80
	Mr. Onne van der Weijde	**0.79**	0.80
	Mr. Ajay Kapur	**0.75**	-

Notes :

1 Related party relationship is as identified by the Company on the basis of available information.

2 The Company carries its Corporate Social Responsibility (CSR) activities through Ambuja Cement Foundation (ACF) and runs schools at plant locations through Ambuja Vidya Niketan Trust (AVN), a charitable organisation registered under Bombay Public Trust Act, 1950. The Company has contributed ₹ 32.50 crores (previous year - ₹ 35.00 crores) to ACF and ₹ 5.70 crores (previous year - ₹ 4.80 crores) to AVN during the current year.

32. Gratuity and other post-employment benefit plans :

a) Defined Contribution Plans

The Company has recognised expenses towards the defined contribution plans as under :

	2013 ₹ in crores	2012 ₹ in crores
Contribution to superannuation fund	**9.28**	8.20
Contribution to employees' provident fund organisation #	**17.19**	15.33
Others	**0.15**	0.18
Total	**26.62**	23.71

Does not include share in joint ventures - ₹ 0.02 crore (previous year - ₹ 0.02 crore)

b) Defined benefit plans - as per actuarial valuation

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Company also provides certain additional post-employment healthcare benefits to senior employees.

Notes to Consolidated Financial Statements *(Contd.)*

32. Gratuity and other post-employment benefit plans : *(Contd.)*

b) Defined benefit plans - as per actuarial valuation *(Contd.)*

The following tables summarise the components of net benefit / expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans :

₹ in crores

	Particulars	2013				2012			
		Gratuity		Death and Disability Scheme (Shipping Staff) Non Funded	Post Retirement Medical Benefits Non Funded	Gratuity		Death and Disability Scheme (Shipping Staff) Non Funded	Post Retirement Medical Benefits Non Funded
		Funded	Non Funded			Funded	Non Funded		
I	Expense recognised in the statement of profit and loss								
	1 Current service cost	**7.94**	**0.18**	**0.02**	**0.59**	6.74	0.14	0.03	0.49
	2 Interest cost	**7.46**	**0.13**	**0.02**	**0.69**	6.34	0.11	0.02	0.55
	3 Expected return on plan assets	**(8.01)**	**-**	**-**	**-**	(6.67)	-	-	-
	4 Actuarial (gains) / losses	**(4.66)**	**(0.43)**	**(0.09)**	**(0.86)**	8.29	0.19	(0.04)	1.00
	5 Total expense#	**2.73**	**(0.12)**	**(0.05)**	**0.42**	14.70	0.44	0.01	2.04
II	Net Asset / (Liability) recognised in the Balance Sheet								
	1 Present value of defined benefit obligation	**97.46**	**1.33**	**0.23**	**8.74**	95.09	1.53	0.28	8.38
	2 Fair value of plan assets	**94.73**	**-**	**-**	**-**	95.09	-	-	-
	3 Funded status [surplus / (deficit)]	**(2.73)**	**(1.33)**	**(0.23)**	**(8.74)**	*	(1.53)	(0.28)	(8.38)
	4 Net asset / (liability) #	**(2.73)**	**(1.33)**	**(0.23)**	**(8.74)**	*	(1.53)	(0.28)	(8.38)
III	Change in obligation during the year								
	1 Present value of defined benefit obligation at the beginning of the year	**95.09**	**1.53**	**0.28**	**8.38**	77.91	1.25	0.27	6.38
	2 Current service cost	**7.94**	**0.18**	**0.02**	**0.59**	6.74	0.14	0.03	0.49
	3 Interest cost	**7.46**	**0.13**	**0.02**	**0.69**	6.34	0.11	0.02	0.55
	4 Actuarial (gains) / losses	**(5.21)**	**(0.43)**	**(0.09)**	**(0.86)**	8.85	0.19	(0.04)	1.00
	5 Benefits payments	**(7.82)**	**(0.08)**	**-**	**(0.06)**	(4.75)	(0.16)	-	(0.04)
	6 Present value of defined benefit obligation at the end of the year	**97.46**	**1.33**	**0.23**	**8.74**	95.09	1.53	0.28	8.38
IV	Change in assets during the year								
	1 Plan assets at the beginning of the year	**95.09**	**-**	**-**	**-**	79.61	-	-	-
	2 Expected return on plan assets	**8.01**	**-**	**-**	**-**	6.67	-	-	-
	3 Contribution by employer	**-**	**-**	**-**	**-**	13.00	-	-	-
	4 Actual benefit paid	**(7.82)**	**-**	**-**	**-**	(4.75)	-	-	-
	5 Actuarial gains / (losses)	**(0.55)**	**-**	**-**	**-**	0.56	-	-	-
	6 Plan assets at the end of the year	**94.73**	**-**	**-**	**-**	95.09	-	-	-
	7 Actual return on plan assets	**7.46**	**-**	**-**	**-**	7.22	-	-	-

* ₹ 31,941

Does not include share in Joint venture expenses ₹ 0.01 crore (previous year ₹ 0.01 crore) and liability ₹ 0.03 crore (previous year ₹ 0.02 crore)

		As at 31.12.2013		As at 31.12.2012	
V	The major categories of plan assets as a percentage of total plan				
	Qualifying insurance policy with Life Insurance Corporation of India	**100%**		100%	
VI	Effect of one percentage point change in the assumed medical inflation rate :	**1 % increase**	**1 % decrease**	1 % increase	1 % decrease
	Increase / (decrease) on aggregate service and interest cost	**0.17**	**(0.17)**	0.17	(0.18)
	Increase / (decrease) on present value of defined benefit obligation	**1.06**	**(1.05)**	1.12	(1.11)
VII	Actuarial assumptions :				
	1 Discount rate	**9.30% p.a.**		8.25% p.a.	
	2 Expected rate of return on plan assets	**8.50% p.a.**		8.50% p.a.	
	3 Mortality	**LIC (2006-08) mortality tables**		LIC (1994-96) mortality tables	
	4 Turnover rate	**Age 21-44 - 2%, Age 45 -57 - 1%**		Age 21-44 - 2%, Age 45 -57 - 1%	
	5 Medical premium inflation	**12% p.a. in the first 5 years and 8% thereafter**		12% p.a. in the first 5 years and 8% thereafter	
	6 Salary escalation	**7% p.a.**		7% p.a.	

Notes to Consolidated Financial Statements *(Contd.)*

32. Gratuity and other post-employment benefit plans : *(Contd.)*

b) Defined benefit plans - as per actuarial valuation *(Contd.)*

		2013 ₹ in crores	2012 ₹ in crores
VIII	Amounts recognised as an expense in respect of defined benefit plans as under :		
1	Gratuity (Funded)*	**2.71**	14.68
2	Gratuity (Non funded)	**(0.12)**	0.44
3	Post retirement medical benefits**	**0.35**	1.99
4	Death and disability	**(0.05)**	0.01
	Total	**2.89**	17.12

* Net of ₹ 0.02 crore (previous year - ₹ 0.02 crore) capitalised as pre-operative expenses.

** Net of ₹ 0.07 crore (previous year - ₹ 0.05 crore) capitalised as pre-operative expenses.

IX Basis used to determine expected rate of return on assets :

To develop the expected long-term return on assets assumption, the company considered the current level of returns declared on its insurance policy. This resulted in the selection of the 8.50 % assumption for gratuity (funded) plan.

X 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.

XI The Company expects to contribute ₹ 7.50 crores (previous year - ₹ 7.50 crores) to gratuity fund in the next year.

XII Amount for the current and previous four years are as follows :

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores	As at 31.12.2011 ₹ in crores	As at 31.12.2010 ₹ in crores	As at 31.12.2009 ₹ in crores
i) Gratuity - Funded					
Defined benefit obligation	**97.46**	95.09	77.91	65.10	57.28
Plan assets	**94.73**	95.09	79.61	67.14	59.85
Surplus / (deficit)	**(2.73)**	*	1.70	2.04	2.57
Experience adjustments on plan assets	**(0.55)**	0.55	3.86	(0.17)	0.74
Experience adjustments on plan liabilities	**3.64**	6.15	7.46	3.50	2.08
ii) Gratuity - Non Funded					
Defined benefit obligation	**1.33**	1.53	1.26	0.64	0.56
Surplus / (deficit)	**(1.33)**	(1.53)	(1.26)	(0.64)	(0.56)
Experience adjustments on plan liabilities	**(0.01)**	(0.06)	(0.13)	0.08	(0.14)
iii) Death and Disability Scheme (Shipping Staff)					
Defined benefit obligation	**0.23**	0.28	0.27	0.28	0.26
Surplus / (deficit)	**(0.23)**	(0.28)	(0.27)	(0.28)	(0.26)
Experience adjustments on plan liabilities	**(0.05)**	(0.04)	(0.06)	(0.03)	(0.11)
iv) Post Retirement Medical Benefit (PRMB)					
Defined benefit obligation	**8.74**	8.38	6.39	4.85	4.35
Surplus / (deficit)	**(8.74)**	(8.38)	(6.39)	(4.85)	(4.35)
Experience adjustments on plan liabilities	**0.32**	0.27	0.92	(0.40)	0.62

* ₹31,941

c) Amount recognised as expense in respect of compensated absences is ₹ 8.30 crores (previous year - ₹ 18.59 crores).

d) Provident fund managed by a trust set up by the Company

The Company has contributed ₹ 7.16 crores (previous year - ₹ 6.33 crores) towards provident fund liability. Deficit of ₹ Nil (previous year - ₹ 0.15 crore) in the accumulated corpus fund is recognised in the Statement of profit and loss.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
Details of the fund and asset position :		
Plan assets at the year end, at fair value	**89.89**	84.96
Present value of benefit obligation at year end	**88.58**	85.11
Net Liability / (Asset)*	**(1.31)**	0.15
Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach		
Discount rate	**9.30%**	8.25%
Interest rate guarantee	**8.50%**	8.50%
Expected rate of return of assets	**9.18%**	8.52%

* Only liability is recognized in the books

Notes to Consolidated Financial Statements *(Contd.)*

33. Employee stock option schemes :

a) The Company has provided various share based payments to its employees. During the year, following schemes were in operation :

Particulars	2007*	2008 #	2009	2010
a) Date of grant	07.06.2007	01.07.2008	19.06.2009	22.04.2010
b) Date of Board approval	11.01.2007	01.07.2008	06.02.2009	04.02.2010
c) Date of Shareholders approval	26.03.2007	22.04.2008	06.04.2009	05.04.2010
d) Number of options granted	7,497,900	7,498,150	7,499,600	9,998,900
e) Method of settlement (cash / equity)	Equity	Equity	Equity	Equity
f) Vesting period from the date of grant	1 year	1 year	1 year	1 year
g) Exercise period from the date of vesting	4 years	4 years	4 years	4 years

* Includes 111,150 options in tranche 2 granted on 1st July 2008 @ ₹ 82 per option.

\# Includes 113,850 options in tranche 2 granted on 19th June 2009 @ ₹ 96 per option.

b) The details of activity under the ESOS are as below :

Particulars	2013		2012	
	Number of shares	**Weighted average exercise price (₹)**	Number of shares	Weighted average exercise price (₹)
a) Outstanding at the beginning of the year	**10,165,025**	**107.91**	18,591,025	107.36
b) Forfeited during the year	**19,250**	**116.85**	244,400	110.88
c) Exercised during the year	**3,675,850**	**100.13**	7,815,175	106.28
d) Expired during the year	**88,300**	**82.00**	366,425	113.00
e) Outstanding at the end of the year	**6,381,625**	**112.72**	10,165,025	107.91
f) Exercisable at the end of the year	**6,381,625**	**112.72**	10,165,025	107.91
g) Weighted average remaining contractual life (in years)	**1.07**	**-**	1.84	-

The weighted average share price at the date of exercise for stock options was ₹ 179.36 (previous year ₹ 188.56)
The weighted average share price for the period over which stock option were exercised was ₹ 185.01 (previous year ₹ 177.49)

c) The details of exercise price for stock options outstanding at the year end :

Employee stock option schemes	As at 31.12.2013			As at 31.12.2012		
	Number of options outstanding	**Weighted average remaining contractual life of options (in years)**	**Weighted average exercise price (nominal value of ₹ 2 per share) (₹)**	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (nominal value of ₹ 2 per share) (₹)
2007						
Tranche 2	-	-	-	16,300	0.50	82.00
2008						
Tranche 1	-	-	-	1,291,750	0.50	82.00
Tranche 2	**31,475**	**0.46**	**96.00**	47,350	1.46	96.00
2009	**1,710,500**	**0.46**	**96.00**	2,750,225	1.46	96.00
2010	**4,639,650**	**1.30**	**119.00**	6,059,400	2.30	119.00

d) Effect of the employee share based payment plans on the statement of profit and loss and on its financial position :

Particulars	**2013 ₹ in crores**	**2012 ₹ in crores**
Liability for employee stock options outstanding at year end	**18.27**	23.86

e) Expenses on employee stock option scheme exclude cost relating to shares granted to the employees of the Company by Holcim Limited, Switzerland, the ultimate holding company.

34. Proposed Dividend :

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
The final dividend proposed for the year is as follows :		
On Equity Shares of ₹ 2 each		
Amount of dividend proposed	**340.09**	339.28
Dividend per Equity Share (₹)	**2.20**	2.20

Notes to Consolidated Financial Statements *(Contd.)*

35. Unhedged foreign currency exposure :

Particulars			As at 31.12.2013		As at 31.12.2012	
			Foreign Currency in crores	₹ in crores	Foreign Currency in crores	₹ in crores
1	Trade payables and other current libalities	in CHF 43,918		0.31	0.13	7.67
		in EURO	0.16	13.72	0.10	6.90
		in GBP 693 (previous year 15,648)		0.01		0.14
		in JPY	0.01	0.01	0.77	0.49
		in NOK 34,199 (previous year 34,503)		0.03		0.03
		in SEK 584 - ₹ 5,618			0.02	0.13
		in THB	0.03	0.05	0.06	0.11
		in USD	0.36	22.14	0.40	21.90
2	Trade receivables and other curent advances	in CHF 3,918 (previous year 5,140)		0.03		0.03
		in DKK	-	-	0.07	0.72
		in EURO	0.32	27.53	0.13	9.38
		in GBP 28,017 (previous year 187 - ₹ 16,561)		0.29		
		in SEK 500 - ₹ 4,810			-	-
		in USD	0.08	5.25	0.05	2.94

36. Disclosure of trade payables as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year.		
Principal	**0.43**	0.86
Interest	**0.01**	0.01
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..	**7.71**	1.47
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 (previous year ₹ 887).	**-**	
d) The amount of interest accrued and remaining unpaid at the end of the year..	**-**	0.01

37. Sale of products includes Sales tax / Value added tax subsidy of ₹ 7.34 crores (previous year - ₹ 33.48 crores).

38. Operating Lease :

The Company has taken various residential premises, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

39. The Company is eligible for receipt of transport subsidy on inter-state transport of raw materials, clinker and cement in certain units. Accordingly, the Company has accrued an amount and adjusted against the respective expenses as under :

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
(i) Cost of raw materials consumed	**3.32**	3.31
(ii) Freight and forwarding expenses	**27.12**	26.81
Total	**30.44**	30.12

40. Dirk India Private Limited's (DIPL) (a subsidiary company) contract for procurement of key raw material is sub-judice and the supply has been discontinued by the supplier. Based on advice of external legal counsel, the Company believes that DIPL has good case of appeal, hence no adjustment is considered necessary in respect of its exposure of ₹ 36.91 crores.

41. "Provision for doubtful debts and advances (net)" for the previous year includes ₹ 31.84 crores pertaining to the period upto 31st December, 2011, towards claims in respect of certain incentives receivable from the government, where there exists an uncertainty with respect to its full recoverability due to government's contention of non-fulfillment of certain conditions.

42. During the current year, the Company has credited ₹ 0.02 crore in 'Cost of raw materials consumed', ₹ 24.54 crores in 'Power and fuel' and ₹ 4.56 crores in 'Stores and spares consumed', due to change in estimate in respect of recognition of certain CENVAT credit relating to earlier years.

Notes to Consolidated Financial Statements *(Contd.)*

43. (a) Other income includes ₹ 32.19 crores (previous year ₹ Nil) written back towards interest on income tax relating to earlier years.

(b) Current tax relating to earlier years represents write back of tax provision upon completion of assessments and change in estimate of allowability of certain deductions.

44. Exceptional item for the previous year, represents additional depreciation charge on account of change in method of providing depreciation on fixed assets pertaining to its Captive Power Plants from the 'Straight Line' to the 'Written Down Value'.

	As at 31.12.2013 ₹ in crores	As at 31.12.2012 ₹ in crores
45. Capital work-in-progress includes :		
a) Machinery-in-transit	**37.74**	10.38
b) Expenditure during construction for projects as under :		
Opening balance	**10.97**	5.82
Addition during the year	**4.15**	6.46
	15.12	12.28
Less : Capitalised during the year	**(7.81)**	(1.31)
Balance included in capital work-in-progress	**7.31**	10.97

46. During the year, the Board of Directors and members have approved the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company with effect from 1st April 2013, wherein the Company will acquire HIPL from Holderind Investments Ltd., Mauritius, for a cash consideration of ₹ 3,500 crores and issue of 58.44 crores equity shares of ₹ 2 each at a premium of ₹ 187.66 per share. Pending regulatory approvals, no impact of the amalgamation is given in the consolidated financial statements.

47. During the previous year, Ministry of Coal had issued an order de-allocating the coal block allocated to the Company along with the other joint venture partners in Wardha Vaalley Coal Field Private Limited and had ordered invocation of bank guarantee of ₹ 2.56 crores (Company's proportionate share of ₹ 0.70 crore). The said order had been challenged by the Company through a writ pettition before the Hon'ble High Court of Delhi and a stay had been granted against invocation of bank guarantee.

48. Information relating to Subsidiaries including subsidiaries of subsidiaries :

(In terms of Government of India, Ministry of Corporate Affairs general Circular No : 2/2011, No : 5/12/2007-CL-III dated 8th February, 2011)

₹ in crores

Name of subsidiary company	**As on and for the year ended**	**Share capital**	**Reserves and surplus**	**Total assets**	**Total liabilities**	**Turnover**	**Profit / (loss) before tax**	**Tax expense**	**Profit / (loss) after tax**
M.G.T. Cements Private Limited	**31.12.2013**	**0.75**	**(0.71)**	**0.04**	**₹ 8,049**	**-**	**(0.02)**	**-**	**(0.02)**
	31.12.2012	0.75	(0.69)	0.06	₹ 3,921	-	(0.02)	-	(0.02)
Chemical Limes Mundwa Private Limited	**31.12.2013**	**5.14**	**(3.86)**	**1.43**	**0.15**	**-**	**(0.15)**	**-**	**(0.15)**
	31.12.2012	5.14	(3.71)	3.15	1.72	-	(0.40)	-	(0.40)
Kakinada Cements Limited	**31.12.2013**	**0.10**	**(0.06)**	**0.04**	**₹ 11,236**	**-**	**₹ (46,311)**	**-**	**₹ (46,311)**
	31.12.2012	0.10	(0.06)	0.05	₹ 11,236	-	(0.01)	-	(0.01)
Dirk India Private Limited	**31.12.2013**	**2.08**	**(11.71)**	**34.07**	**43.70**	**22.45**	**(13.91)**	**₹ 24,000**	**(13.91)**
	31.12.2012	2.08	2.20	39.88	35.61	53.25	(3.03)	(0.86)	(2.17)
Dirk Pozzocrete (MP) Private Limited *	**31.12.2013**	**0.01**	**(4.81)**	**4.97**	**9.78**	**1.21**	**(1.43)**	**-**	**(1.43)**
	31.12.2012	0.01	(3.38)	5.09	8.46	1.85	(1.83)	-	(1.83)
Dang Cement Industries Private Limited	**31.12.2013**	**13.84**	**(5.40)**	**8.45**	**₹ 12,846**	**-**	**0.17**	**₹ (324)**	**0.17**
	31.12.2012	13.84	(5.57)	8.28	₹ 13,160	-	0.09	₹ 1,295	0.09

* Subsidiary of Dirk India Private Limited

49. Figures less than ₹ 50,000 have been shown at actuals, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest lakh.

50. Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

Signatures to Notes 1 to 50

As per our attached report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365

Mumbai, 6th February, 2014

Sanjeev Churiwala
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman

Paul Hugentobler
Vice Chairman

Omkar Goswami
Director

Shailesh Haribhakti
Director

B.L. Taparia
Director

Ajay Kapur
Deputy Managing Director
& Chief Executive Officer

Rajendra P. Chitale
Chairman-Audit Committee

Nasser Munjee
Director

Bernard Fontana
Director

Haigreve Khaitan
Director

Bernard Terver
Director

Onne van der Weijde
Managing Director

AMBUJA CEMENTS LIMITED

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

Notice

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, 10th April, 2014 at 10.00 a.m. at the Registered Office of the Company at P.O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715, to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the Profit & Loss Account for the Corporate Financial Year ended 31st December, 2013 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Nasser Munjee, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajendra P. Chitale, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Omkar Goswami, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

   "RESOLVED that M/s. SRBC & Co. LLP (Membership No. 324982E), Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the company, in place of M/s. S. R. Batliboi & Co. LLP the retiring auditors who have expressed their unwillingness for re-appointment, to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and in respect of whom the company has received a special notice from a member, pursuant to the provisions of Section 190 read with Section 225 of the Companies Act, 1956, signifying his intention to propose the appointment of M/s. SRBC & Co. LLP as the Statutory Auditors on a remuneration to be fixed by the Board of Directors or a committee thereof."

Special Business

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

   "RESOLVED THAT pursuant to Section 161(1) and other applicable provisions of the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956, Mr. Bernard Terver who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Bernard Terver for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

   "RESOLVED THAT pursuant to Section 161(1) and other applicable provisions of the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956, Mr. Ajay Kapur who was appointed by the Board of Directors as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Ajay Kapur for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
9. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 and all other applicable provisions, if any, of the Companies Act, 1956 including any amendment there to or re-enactment there of for the time being in force read with Schedule XIII to the said Act and the notified sections of the Companies Act, 2013, and subject to the approval of the Central Government and such other approval/permissions, if and as may be required, the Company hereby accords its consent and approval to the appointment of Mr. Ajay Kapur as the "Deputy Managing Director & CEO" for a period of 3 (three) years starting from 1st August, 2013 on the following remuneration and other terms:

   I. Remuneration :

      (a) Salary:

         i) ₹11,52,800/- per month-from 1st August, 2013 to 31st March, 2014.

         ii) ₹13,03,000/- per month - from 1st April, 2014 onwards.

         with annual increments as may be decided by the Board of Directors/ Committee of the Board, from time to time.

      (b) House Rent Allowance (HRA):

         HRA will be paid @ 50% of the salary.

      (c) Special Allowance:

         Special Allowance @20% of the salary will be paid to cover the cost of furnishing, children's education, utility maintenance etc.

      (d) Perquisites:

         (i) Soft Furnishing Allowance

            Soft Furnishing Allowance of ₹2,083/- per month.

         (ii) Leave Travel Concession

            Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave / holiday travel periods, whenever undertaken, whether in India or abroad for an amount not exceeding 20% of the Annual Basic Salary.

            In case Mr. Ajay Kapur does not go on Leave Travel or does not spend the entire eligible amount of leave travel concession, then the Company shall pay him the entire eligible amount or the balance un-claimed amount, as the case may be, by way of Leave Travel Allowance.

(iii) Medical Reimbursement

Medical Reimbursement for an amount not exceeding 15% of the Annual Basic Salary to cover the medical expenditure for the self and family members.

(iv) Club Membership

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

(v) Mediclaim and Personal Accident Insurance

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

(vi) Contribution to Provident Fund

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

(vii) Superannuation

Contribution to the Superannuation fund which presently is 15% of Basic Salary.

(viii) Gratuity

Gratuity at the rate of half-month's salary for each completed year of service.

(ix) Leave

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

(x) Other perquisites

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

Explanation:

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

(e) Performance Incentive:

Performance Incentive of such amount, for each Corporate Financial year or part thereof as may be decided by the Board of Directors (which includes any committee thereof).

(f) Amenities:

(i) Conveyance facilities

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

(ii) Telephone, telefax and other communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Dy. Managing Director/CEO's residence. All the expenses incurred shall be paid or reimbursed by the Company.

(iii) Gas and Electricity expenses

The Company shall reimburse Mr. Ajay Kapur the actual gas and electricity expenses incurred by him at his residence.

II. Overall remuneration:

The aggregate of salary, allowances, perquisites and performance bonus in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act or any modifications or re-enactment for the time being in force.

III. Minimum remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Dy. Managing Director & CEO, the payment of salary, performance bonus, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 as may for the time being be in force.

RESOLVED FURTHER that Dy. M.D. & CEO Mr. Ajay Kapur, shall be liable to retire by rotation under Section 255 of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof) however, if re-appointed as a Director immediately on retirement by rotation, he shall continue to hold his office of Dy. Managing Director & CEO and such re-appointment as Director shall not be deemed to constitute a break in his appointment as the Dy. Managing Director & CEO.

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

10. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED that pursuant to the provisions of Section 310 and all other applicable provisions, if any, of the Companies Act, 1956 (Act) (including any statutory modifications or re-enactment thereof) and subject to the approval by Central Government, the consent of the Company be and is hereby accorded for increase in the remuneration in the form of Advisory Service fee to Mr. B. L. Taparia, from ₹ 9,00,000/- per month to ₹ 11,00,000/- per month for the period from 1st January, 2014 till 31st October, 2015 in partial modification to the Agreement dated 5th November, 2012 entered into by the Company with Mr. Taparia."

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

By Order of the Board of Directors

Place : Mumbai — **Rajiv Gandhi**

Date : 6th February, 2014 — Company Secretary

Notes:

1. Explanatory statement as required under Section 102 of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting is given in the annexure.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 14th February, 2014 to the Friday, the 21st February, 2014 (both days inclusive) for payment of final dividend.

5. Final dividend in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on 13th February, 2014 as per the downloads furnished to the Company by Depositories for this purpose.

   In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the Register of Members as on 21st February, 2014.

6. Members are requested to furnish their Bank Account details, change of address etc. to the Registrar and Share Transfer Agents in respect of shares held in physical form. If the shares are held in electronic form, then the said particulars should be furnished to their respective Depository Participants (DPs).

7. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.

   b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.

8. **The Ministry has allowed paperless compliances by the companies through electronic mode with an intention to reduce paper consumption and contribute towards a greener environment. It has issued two Circulars in this regard viz circular no.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011. According to these circulars, Companies can now send various notices/ documents to their shareholders through electronic mode, at the registered email addresses of the shareholders. It includes notice calling Annual General Meeting, Audited financial statements, Directors' Report, Auditors' Report etc.**

   We at Ambuja welcome this move from the Government and see this as a Golden opportunity not only for the Company but also for every shareholder of the Company to contribute its might to the greener environment. This will also help in prompt receiving of communications and reduce paper consumption.

   The Notice of the Thirty First Annual General Meeting along with the Annual Report for the Corporate Financial Year 2013 is sent to all the Members whose e-mail id is registered with the Company. Such Members who wish to receive the Notice and the Annual Report copy in physical form may follow the instructions given in the e-mail sent to their registered e-mail id.

   Members who have not registered their e-mail address so far are requested to register their e-mail address, by filling in the enclosed registration form giving their e-mail id and send it to us or log onto http://www.shareproservices.com to register. The form can also be downloaded from our website www.ambujacement.com.

9. Members are requested to send all communications relating to shares, bonds and unclaimed dividends to the Registrar and Share Transfer Agents at the following address:

   SHAREPRO SERVICES (INDIA) PVT. LTD.
   (Unit : Ambuja Cements Ltd.)
   13 AB Samhita Warehousing Complex,
   2nd floor, Near Sakinaka Telephone Exchange,
   Andheri – Kurla Road, Andheri (East), Mumbai - 400 072
   Tel. No. (022) 67720300

10. Important:

   Members are informed that the final dividend amount to the year ended 31st December, 2006 and the interim dividend amount for the year ended 31st December, 2007, remaining unclaimed shall become due for transfer on 23rd April, 2014 and 22nd August, 2014 respectively to the Investor Education and Protection Fund established by the Central Government in terms of Section 205C(2)(a) of the Companies Act, 1956 on expiry of 7 years from the date of its declaration.

   Members are requested to note that no claim shall lie against the Company or the aforesaid fund in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment. Any member, who has not claimed final dividend in respect of the financial year ended 31st December, 2006 onwards is requested to approach the Company/the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than 31st March, 2014 for final dividend of F.Y. 2006 and 31st July, 2014 for interim dividend of F.Y. 2007.

   The Company has already sent reminders to all such members at their registered addresses in this regard.

Explanatory Statement

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

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 7, 8, 9 and 10 of the accompanying Notice dated 6th February, 2014.

In respect of Item No. 7

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Bernard Terver as Additional Director from 4th December, 2013.

Mr. Terver, aged 62 years, is a French national. He concluded his studies at the Ecole Polytechnique in Paris in 1976. After beginning his career in the steel industry, in 1977 he moved to cement producer CEDEST, which was taken over by Holcim France in 1994. In 1999, Bernard Terver became CEO of Holcim Colombia and in 2003 he was appointed Area Manager for the Andes nations, Central America and the Caribbean. Since October 2008, he has been CEO of Holcim US and effective November 2010 CEO of Aggregate Industries US. Mr. Terver was appointed Area Manager and member of senior management of Holcim Ltd, with effect April 1, 2010. From September 2012, he was appointed as member of the Executive Committee and effective January 2013 he has been bestowed the responsibility for the Africa, Middle East and the Indian Subcontinent (comprising India, Sri Lanka and Bangladesh) region of Holcim.

The other details of Mr. Terver in terms of Clause 49 of the Listing Agreement, is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 130 of the Articles of Association of the Company, Mr. Terver holds office as Additional Director only up to the date of the forthcoming Annual General Meeting and being eligible, offers himself for appointment as a Director of the Company, liable to retire by rotation.

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 along with the amount of requisite deposit from one of the members signifying his intention to propose the appointment of Mr. Bernard Terver as a Director.

The Board of Directors recommend passing of the Resolution at item no.7

Notice received under Section 257 of the Companies Act, 1956 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Bernard Terver is concerned or interested in the Resolution at item no. 7 of the Notice.

In respect of Item No. 8 and 9

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Ajay Kapur as Additional Director from 25th July, 2013 and as the Deputy M.D. & CEO w.e.f. 1st August, 2013.

Prior to his appointment on the Board, Mr. Kapur was holding the position of the CEO of the Company. Looking at his vast experience in different facets of cement business and his long association with the Company, Mr. Kapur was inducted as the member of the Board as an "Additional Director" w. e. f. 25th July, 2013 and as the "Deputy Managing Director & CEO" from 1st August, 2013 for a period of 3 years. As the Deputy Managing Director & CEO, Mr. Ajay Kapur is responsible for the day to day operations and performance of all the regions, execution of capex projects and overseeing key corporate functions.

Pursuant to Section 302 of the Companies Act, 1956, an Abstract of the Terms of his appointment as Deputy M.D. & C.E.O and the Memorandum of Interest dated 5th August, 2013 was sent to the Members for their information.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 6th February, 2014 has also approved annual increment to Mr. Kapur w.e.f. 1st April, 2014 onwards. The increase in the remuneration payable have been enumerated in the resolution at item no. 9. The said remuneration and perquisite are in consonance with the Companies Act, 1956. The other terms and conditions of his appointment remain same.

Mr. Ajay Kapur, aged 48 years, is an Economics Graduate from St. Xavier's College, and did MBA from Somaiya Institute of Management Studies And Research – both University of Mumbai. He has also completed the Wharton Advanced Management Program from University of Pennsylvania, USA. He joined the Company in 1993 from Citibank, and for the first eight years was the Executive Assistant to the then Managing Director, Mr. N.S. Sekhsaria. Among several areas, his main focus that time was on Marketing Strategies, Brand and Promotion, Logistics Management and Commercial issues. In 2007, he was made all India Head – Marketing and Commercial Services at Corporate Office and was also inducted as Executive Committee member. In the year 2009, he was made Business Head of West & South region. Mr. Kapur was elevated to the post of CEO in May, 2012. The Board of Directors have appointed Mr. Kapur as an Additional Director w.e.f. 25th July, 2013 and also as a Dy. Managing Director & CEO w.e.f. 1st August, 2013. Accordingly, the company has executed an agreement dated 5th August, 2013(effective 1st August, 2013) with Mr. Ajay Kapur recording the terms of his appointment.

The other details of Mr. Ajay Kapur in terms of Clause 49 of the Listing Agreement, is annexed to this Notice.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 130 of the Articles of Association of the Company, Mr. Ajay Kapur holds office only up to the date of the forthcoming Annual General Meeting and being eligible, offers himself for appointment as a Director of the Company, liable to retire by rotation.

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 along with the amount of requisite deposit from one of the members signifying his intention to propose the appointment of Mr. Ajay Kapur as a Director.

The Board of Directors recommend passing of the Resolution at item no.8 and 9.

Notice received under Section 257 of the Companies Act, 1956 is available for inspection by the members at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

The copy of the Agreement dated 5th August, 2013 is available for inspection at the Registered Office of the Company during business hours on all working days upto the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. Ajay Kapur is concerned or interested in the Resolution at item no. 8 and 9 of the Notice.

In respect of Item No. 10

Mr. Taparia was appointed as Non-Executive Director on the Board of the Company w.e.f. 1st September, 2012. The Shareholders at the last Annual General Meeting held on 4th April, 2013 approved the payment of remuneration to Mr. Taparia. Approval of the Central Government was also obtained.

As an advisor, Mr. Taparia has been representing the Company before Law Firms, Consultants, Courts, Statutory and Regulatory Bodies / Authorities as and when required. Mr. Taparia, apart from providing advisory services mentioned above, also undertakes other assignments as may be given to him by the Managing Director or the Dy.M.D. & CEO.

Ever since the appointment, Mr. Taparia's engagement in the various matters mentioned aforesaid, has increased. As a result, he is devoting more time than the time he was expected to work as per the earlier agreement dated 5th November, 2012. The Board (based on the recommendation of Nomination and Remuneration Committee), therefore felt it desirable to revise the Advisory Service Fee payable to Mr. Taparia from Rs.9 lacs per month to Rs.11 lacs per month with effect from 1st January, 2014, subject to the approval of the shareholders and the Central Government. The other terms and conditions remains the same. A supplementary agreement dated 13th January, 2014 has been entered into between the Company and Mr. Taparia to effect the revision in service fee.

The revision in the remuneration payable to a Non-Executive Director is subject to the approval of the shareholders and the Central Government under Section 310 of the Companies Act, 1956.

The copy of the Supplementary Agreement dated 13th January, 2014 is available for inspection at the Registered Office of the Company during business hours on all working days upto the date of the Annual General Meeting.

The Board of Directors recommend passing of the Resolution at item no.10.

None of the Directors, Key Managerial Personnel and relatives thereof other than Mr. B. L. Taparia is concerned or interested in the Resolution at item no. 10 of the Notice.

By Order of the Board of Directors

Place : Mumbai **Rajiv Gandhi**
Date : 6th February, 2014 Company Secretary

Annexure to Items 3, 4, 5, 7 & 8 of the Notice

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

(As on 31st December, 2013)					
Name of the Director	**Mr. Nasser Munjee**	**Mr. Rajendra P Chitale**	**Mr. Omkar Goswami**	**Mr. Bernard Terver**	**Mr. Ajay Kapur**
Date of Birth	18th November, 1952	10th April, 1961	29th March, 1956	2nd April, 1952	11th November, 1965
Nationality	Indian	Indian	Indian	French	Indian
Date of Appointment on the Board	16th August, 2001	4th July, 2002	20th July, 2006	4th December, 2013	25th July, 2013
Qualifications	M. Sc. (Economics)	B. Com, LL.B, F.C.A	Master's in Economics, D. Phil (Ph. D.) from Oxford University.	Concluded his studies at Ecole Polytechnique in Paris.	Degree in economics, MBA in Marketing.
Expertise in functional area	Banking and Finance, Infrastructure Development.	Rich Experience in the Field of Audit, Taxation and Finance.	Rich Experience in the field of Economics.	Experience in the field of Cement and Steel.	Experience in the field of marketing and Commercial Services.
Number of shares held in the Company	Nil	Nil	Nil	Nil	185500
List of the directorships held in other companies	Tata Motors Finance Ltd. Voltas Limited. Cummins India Ltd. Unichem Laboratories Limited. Asea Brown Boveri Ltd. (ABB) Tata Chemicals Limited. Tata Motors Limited. Development Credit Bank Ltd. Britannia Industries Limited. HDFC Limited. Go Airlines (India) Ltd.	Hinduja Ventures Ltd. Hinduja Global Solutions Ltd. Reliance Equity Advisors (India) Ltd. Reliance Life Insurance Co. Ltd. Reliance Capital Ltd. Reliance General Insurance Co. Ltd. NSE IT Ltd.	Cairn India Ltd Dr. Reddy's Laboratories Ltd. IDFC Limited. Godrej Consumer Products Ltd. Crompton Greaves Limited. Max Healthcare Institute Ltd. Bajaj Finance Ltd. Infosys BPO Ltd. Infosys Ltd.	ACC Limited.	Holcim Services (South Asia) Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director.	**Chairman** Audit Committee- Asea Brown Boveri Ltd (ABB). Tata Chemicals Limited. Tata Motors Limited. Britannia Industries Limited. Cummins India Ltd. **Member** Audit Committee- Unichem Laboratories Limited. Voltas Limited.	**Chairman** Audit Committee- Reliance Capital Ltd. **Member** Audit Committee- Hinduja Ventures Ltd. Hinduja Global Solutions Ltd. Reliance Life Insurance Co. Ltd. Shareholders' Investors Grievance Committee- Reliance Capital Ltd.	**Chairman** Audit Committee- Crompton Greaves Limited. Shareholders' Investors Grievance Committee- Infosys Ltd. Cairn India Ltd **Member** Audit Committee- IDFC Limited. Cairn India Ltd Godrej Consumer Products Ltd. Bajaj Finance Ltd. Dr. Reddy's Laboratories Ltd. Infosys BPO Ltd.	**Member** Shareholders' Investors Grievance Committee- ACC Limited.	Nil

Directorships / Committee memberships exclude Directorships in private / foreign companies and companies incorporated under Section 25 of the Companies Act, 1956

Ambuja
Cement

Head office: Elegant Business Park, Behind Kotak Mahindra Bank, MIDC Cross Road 'B', Off Andheri - Kurla Road,
Andheri (E), Mumbai 400 059. Tel.: 022 6616 7000/4066 7000. www.ambujacement.com

FORM A

1 Name of the Company:	Ambuja Cements Limited
2 Annual financial statements for the year ended	31st December 2013
3 Type of Audit observation	Emphasis of Matter
4 Frequency of observation	Appeared in the audit report on the financial statements for the year ended 31st December 2013. Also appeared in the audit report on the financial statements for the year ended 31st December 2012 and in the limited review report on the statement of unaudited financial results for the quarters ended on 30th June 2012 to 30th September 2013.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Ravi Bansal
Partner
Membership No. 49365
Statutory Auditor
Place: Mumbai
Date: 20 FEB 2014

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Rajendra Chitale
Chairman-Audit Committee

Onne van der Weijde
Managing Director

Ajay Kapur
Deputy Managing Director & CEO

Sanjeev Churiwala
Chief Financial Officer
Place: Mumbai
Date: 17th February,2014