Ambuja Cement

ACL:SEC: Date: April 1, 2019

The Secretary
Bombay Stock Exchange Limited
Phiroz Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 023

National Stock Exchange of India Ltd.,
Plot No.C/1 'G' Block
Bandra – Kurla Complex
Bandra East,
Mumbai 400 051

Deutsche Bank
Trust Company Americas
Winchester House
1 Great Winchester Street
London EC2N 2DB
Ctas Documents <ctas.documents@

Societe de la Bourse de Luxembourg,
Avenue de la Porte Neuve
L-2011 Luxembourg,
B.P 165
"Luxembourg Stock Ex-Group ID "
<ost@bourse.lu

Dear Sirs,

Sub: Annual Report for the year ended 2018

The shareholders of the Company at the 36th Annual General Meeting held on 29th March, 2019 at the registered office of the Company at Ambujanagar, Gujarat have considered and adopted the following:-

1. The Audited Standalone Financial Statements of the Company for the Financial year ended December 31, 2018, together with the Reports of the Directors and the Auditors thereon; and

2. The Audited Consolidated Financial Statements of the Company for the Financial year ended December 31, 2018, together with the Report of the Auditors thereon.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2018 duly approved and adopted by the shareholders of the Company at the 36th Annual General Meeting held on March 29, 2019.

You are requested to kindly take note of the same.

Thanking you,

Yours faithfully,
For AMBUJA CEMENTS LTD

Rajiv n Gandhi

RAJIV GANDHI
COMPANY SECRETARY
Membership No. A11263

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

Annual Report
2018

Ambuja Cements Limited

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.

Contents

Our Vision

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

Our Mission

Delighted Customers

Healthy Environment

Inspired Employees

Create Value for All.

Loyal Shareholders

Enlightened Partners

Energised Society

Corporate Information

Board of Directors

Mr. N.S. Sekhsaria
Chairman & Principal Founder

Mr. Jan Jenisch
Vice Chairman

Mr. Nasser Munjee

Mr. Rajendra P. Chitale

Mr. Shailesh Haribhakti

Dr. Omkar Goswami

Mr. Haigreve Khaitan

Ms. Usha Sangwan
(ceased w.e.f. 21st December, 2018)

Mr. Christof Hassig

Mr. Martin Kriegner

Mr. Roland Kolher

Mr. B. L. Taparia

Ms. Then Hwee Tan
(Director w.e.f. 18th February, 2019)

Mr. Ajay Kapur
Managing Director & CEO
(upto 28th February, 2019)

Mr. Bimlendra Jha
Managing Director & CEO
(w.e.f. 1st March, 2019)

Chief Financial Officer

Mr. Suresh Joshi

Company Secretary

Mr. Rajiv Gandhi

Executive Committee

Mr. Ajay Kapur
Managing Director & CEO

Mr. Suresh Joshi
Chief Financial Officer

Mr. Vilas Deshmukh
Chief Manufacturing Officer

Mr. Deepak Mehra
Chief Marketing Officer

Mr. Rajeev Mehta
Chief Logistics Officer

Ms. Meenakshi Narain
Chief HR Officer

Auditors

M/s. Deloitte Haskins & Sells LLP
Statutory Auditors

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

M/s. Rathi & Associates
Secretarial Auditors

Corporate Office

Elegant Business Park,
MIDC Cross Road 'B',
Off Andheri-Kurla Road,
Andheri (E), Mumbai 400 059.
website: www.ambujacement.com

Registered Office

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

Committees of the Board

Audit Committee

Mr. Rajendra P. Chitale
Chairman

Mr. Nasser Munjee

Dr. Omkar Goswami

Mr. Martin Kriegner

Mr. Ajay Kapur
Permanent Invitee

Mr. B. L. Taparia
Permanent Invitee

Nomination and Remuneration Committee

Mr. Nasser Munjee
Chairman

Mr. N. S. Sekhsaria

Mr. Shailesh Haribhakti

Mr. Martin Kriegner

Mr. Ajay Kapur
Permanent Invitee

Stakeholders' Relationship Committee

Mr. Rajendra P. Chitale
Chairman

Mr. Haigreve Khaitan

Mr. Ajay Kapur

Mr. B. L. Taparia

Corporate Social Responsibility & Sustainability Committee

Mr. N. S. Sekhsaria
Chairman

Mr. Nasser Munjee

Mr. Rajendra P. Chitale

Mr. Martin Kriegner

Mr. B. L. Taparia

Mr. Ajay Kapur

Mrs. Pearl Tiwari
Permanent Invitee

Risk Management Committee

Mr. Rajendra P. Chitale
Chairman

Mr. Nasser Munjee

Mr. Shailesh Haribhakti

Dr. Omkar Goswami

Mr. Ajay Kapur

Compliance Committee

Mr. Haigreve Khaitan
Chairman

Dr. Omkar Goswami

Mr. Shailesh Haribhakti

Mr. B. L. Taparia

Mr. Ajay Kapur

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C-101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai - 400 083.
Telephone: (022) 4918 6000
Fax Number: (022) 4918 6060
Email: rnt.helpdesk@linkintime.co.in

Chairman's Letter

Dear Shareholders,

The Indian economy continued to strengthen in 2018, reclaiming its position as the world's fastest growing economy. This economic growth was led by a number of factors, including macro-economic policies, improved consumer sentiment and structural reforms introduced by the Government. The impact of these structural reforms are reflected in the World Bank's 'Ease of Doing Business' report for 2019, where India climbed 23 places to rank 77th among the 190 countries surveyed, making it the only country to place among the top 10 most improved countries for the second consecutive year. This clear improvement in India's ranking will strengthen the Government's reformist credentials.

The nation's economic growth had a positive impact on the Cement industry, which posted a higher growth rate than the previous year at 9%. Increased demand continued to be led by key infrastructure projects like roads and metros, and the Government-led 'Housing for All' programme. This allowed the industry's capacity utilisation to improve by approximately 3%, over 2017.

The Company took many significant steps forward this year and had several remarkable achievements. I would like to highlight a few of them.

Our Greenfield Marwar-Mundwa project is now approved with a revised clinker production capacity from 1.71 MTPA to 3.1 MTPA, a 1.8 MTPA cement grinding capacity and related infrastructure like a Waste Heat Recovery System and a Captive Power Plant. The total investment in the project is ₹2350 crores.

Following the mandatory Board and shareholders' approvals, Ambuja and ACC entered into a Master Supply Agreement in May last year to unlock various areas of synergy that will accrue incremental benefit to both companies.

The Company won two limestone blocks for our MCW and Marwa-Mundwa plants last year, ensuring a secure future supply of limestone. In 2018, Mangu mines at Darlaghat kick-started operations, while two other mines at Lodhva and Maldi-Mopar are slated to begin operations soon.

Our captive coal block at Gare Palma started production ahead of schedule in November 2018. While this is yet another step to reduce our dependency on the market, it will also provide long term energy security for our Bhatapara unit, at a competitive cost.

This year our people's determination and resilience - their quintessential *I Can* spirit - ensured our continued progress on many fronts.

To counteract elevated fuel and energy prices, coupled with the weakening of the Rupee, we continued to focus on 'least-cost fuel mixes', increased our usage of alternative fuels to 5.5%, significantly improved our efficiency parameters and achieved a lower clinker factor.

On the Marketing front, our consumer's needs were identified and innovative solutions were rolled out to complement the entire construction journey. Premium cement products like Compocem and Roof Special saw impressive sales growth. Cool Walls was launched last year to capture a greater share of the construction market, and is now witnessing good traction due to increased customer acceptance and our continuous efforts for market expansion.

On the sustainability front, our performance has been exemplary. Ambuja has been accredited with a 6x Water Positive status for 2017. We bettered our own previous rank in the Dow Jones Sustainability Index to rank among the top 5 companies in the Construction Material Category for 2018. We also secured the number 2 position in the global Carbon Disclosure Project index. Closer to home, Ambuja shone bright with the highest number of wins at the CII-ITC Sustainability Awards, 2018.

Ambuja's shipping operation, one of our greatest sustainability initiatives, celebrated its silver jubilee in 2018. We were among the first companies to transport cement by sea – a unique initiative that continues to record not just the lowest operational cost, but also provides uninterrupted services during the monsoons and even under cyclonic conditions.

I am proud to say that our work on the health and safety front continues to deliver results. Our concerted focus on reinforcing our systems and processes, learning from incidents, and better frontline leadership, have led to an overall reduction in injuries by 34%, with two of our plants in Surat and Farakka achieving 'Zero Harm' in 2018.

Our people's continued efforts have had an impact on the Company's performance. I would like to share with you a snapshot for the year ended 31st December 2018, as compared to the previous year:

- Sales by volume increased by 5.4% from 22.95 million tonnes to 24.18 million tonnes.
- Absolute EBITDA was lower by 2.5% to ₹1891 crores.
- Net Profit after tax was higher by 19% to ₹1487 crores.

The government's plan to increase both spending and budget allocation towards infrastructure bodes well for the cement sector and could translate into a boom in demand. With the strength of our people's *I Can* spirit, and our premium quality products, I am confident that Ambuja is poised to write a new chapter in our great story.

With warm regards,

N-S. Sekhsaria

N.S. Sekhsaria
Chairman & Principal Founder
18th February, 2019

MD & CEO's Letter

Dear Shareholders,

On the back of the government's well-structured policies and reforms, the Indian economy continued its impressive growth. GDP growth at 7%-7.5% has been coupled with relatively low inflation. Growth in the construction sector also improved due to the reversal of stalled infrastructure and housing projects. It reflected in the 2018-19 quarterly construction GDP numbers which recorded robust growth of 8.3% in April - Sept 2018 as against 2.5% for April - Sept 2017.

Even through these positive numbers, the cement industry stood out, recording an impressive growth of 9% in 2018. This was despite the several concerns plaguing the realty sector. The growth of the cement industry was largely driven by government-sponsored spending on infrastructure projects and low cost housing, among others.

Other significant reforms undertaken by the government were in the areas of raw material and fuel security. Limestone and coal auctions provided the much-needed impetus to the cement sector. Increased permissible truck axle load and allowing the use of pet coke in kilns have helped the industry to partially absorb the cost pressures emanating from a volatile rupee and crude oil movement in 2018. The recently announced interim Budget 2019 reinforced the government's focus on boosting infrastructure in the rural economy, which augurs well for us.

At Ambuja Cement, we utilised this conducive market scenario to leverage our brand equity. Our commercial initiatives included a focus on core markets, home market sale, and premium products. Strengthening channels further facilitated our strong performance in the market. Internally a strong operational focus improved our capacity utilisation. The result was that Ambuja reported 5.4% growth over 2017.

Last year, at Ambuja we made our most substantial investment - in our customers. By identifying consumer pain points along the entire construction journey, our people developed solutions and delivered them for an improved customer experience. Our people envisioned the initiative as a home thereby giving the idea a concrete form. They named it Ambuja House. Considered almost like an actual house built by Ambuja, every solution was seen to be applied to it. From the foundation to the roof and walls. I am very happy that the Ambuja team responded positively to this novel concept. It helped ramp up sales of Roof Special and Compocem to a level where the products began to generate increasing demand. Moving ahead we are also ramping up our premium non-cement products like AAC blocks and Manufactured Sand.

With the aim to achieve higher performance we have shifted focus closer to the markets and customers we serve, and simplified our organisational processes.

In the past year, the company faced multiple challenges from rising costs for power and fuel, diesel, and packing bags coupled with volatility in the exchange rates. There were also logistics issues, such as less availability of railway resources, impacting the movement of clinker to grinding units.

But it was a vision for the future that guided us through challenging times. In 2018, our group LafargeHolcim's new Strategy 2022 – 'Building for Growth' set a roadmap for the next five years to help drive profitable growth and simplify our business. Ambuja Cement has also worked out a growth strategy based on four value drivers: Growth, Simplification & Performance, Financial Strength, and Vision & People.

As a market leader, we understand that the key to retaining this position is continual growth. With a robust growth forecast for the cement industry of 7.0-7.5% CAGR in the next few years, we have also worked out a roadmap. The Ambuja Board approved the Marwa Mundwa plant with 3.1 MT clinker and 1.8 MT cement capacity along with captive power plant and waste heat recovery system in Dec 2018. This will help strengthen our position in the core markets of the North and West region. Our people are also working on various efficiency improvement projects to build long-term competitiveness in a sustainable manner.

The coal mine in the Eastern region is now fully operational with open cast mining reaching its full capacity. This is the first time in India that a private mine in a difficult terrain started mining operations on time and achieved full-rated capacity within one month.

Going ahead, we are looking forward to increased cement demand due to positive impact of various initiatives rolled out by the government in the infrastructure and housing segments. Our well-defined marketing and commercial strategies, increased sales of value added premium products and our continued focus on customer engagement will continue to improve our reach in core markets. Better efficiency parameters and cost saving initiatives will help us improve our competitiveness.

Health & Safety (H&S) has always been of paramount importance at Ambuja Cement. All our safety programs have been well integrated into our daily activities , ensuring the safety of every stakeholder. This focus resulted in 7 sites recording Zero Lost Time Injury (LTI), while 2 plants accomplished 'Zero Harm' in 2018.

Our CSR initiatives through the Ambuja Cement Foundation (ACF) has involved work with communities, building strong ties and transforming a whopping two million lives across 22 sites.

Ambuja is extremely proud of its achievements at the national and global level, ranging from sustainability to CSR, branding and compliance. Ambuja was ranked 5th in the prestigious Dow Jones Sustainability Index (DJSI) 2018; and ranked 2nd in the global Carbon Disclosure Project (CDP) index. This reflects the collective efforts of our people with an unwavering focus on our company's vision to be the most sustainable company in the industry.

Ambuja Cement's resilience and passion resonates with our indomitable *I Can* spirit which will ensure our continued excellence on delivery, efficiency and sustainability.

With warm regards,

Ajay Kapur
Managing Director & Chief Executive Officer
18th February, 2019

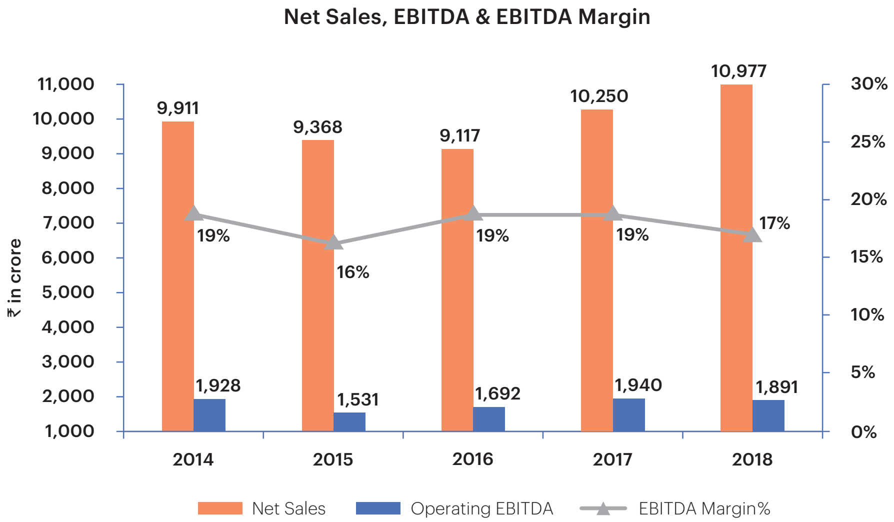
Financial Highlights of 5 Years

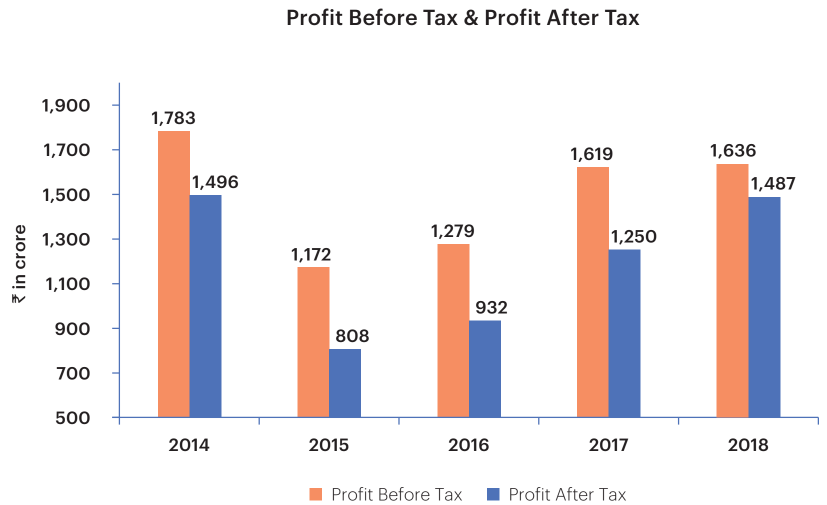
Amount in ₹ crore

	2018 (1)	2017 (1)	2016 (1)	2015 (2)	2014 (2)
Income Statement					
Net Sales	10,977	10,250	9,117	9,368	9,911
Operating EBITDA	1,891	1,940	1,692	1,531	1,928
Profit before tax and exceptional item	1,636	1,619	1,279	1,172	1,783
Profit After Tax	1,487	1,250	932	808	1,496
Balance Sheet					
Net Worth	21,013	19,973	19,356	10,307	10,103
Borrowings	40	24	16	23	29
Capital Employed	21,471	20,499	19,920	10,946	10,763
Fixed Assets - Net Block	5,563	5,693	5,923	6,092	6,227
Current Assets	5,755	5,510	4,214	6,549	5,995
Current Liabilities	3,715	4,127	3,431	3,226	3,138
Cash Flow Statement					
Net Cash Generated from Operations	596	1,836	1,416	1,553	1,675
Cash and Cash Equivalents	3,150	3,311	2,396	5,032	4,459
Significant Ratios					
Operating EBITDA / Net Sales	17%	19%	19%	16%	19%
Return on Capital Employed (EBIT/Avg. CE)	8%	8%	8%	12%	18%
Price Earning Ratio[3]	29.96	43.10	43.93	39.02	23.65
Book Value Per Share (₹)	105.92	100.65	97.52	66.49	65.29
Basic Earning Per Share (₹)	7.49	6.29	4.69	5.21	9.67
Dividend Per Share (₹)	1.50	3.60	2.80	2.80	5.00
Dividend Payout Ratio	31%	65%	76%	65%	62%
Current Ratio	1.55	1.34	1.23	2.03	1.91
Operations					
Cement Capacity - Million Tonnes	29.65	29.65	29.65	29.65	28.75
Cement Production - Million Tonnes	24.34	22.98	21.19	21.54	21.43

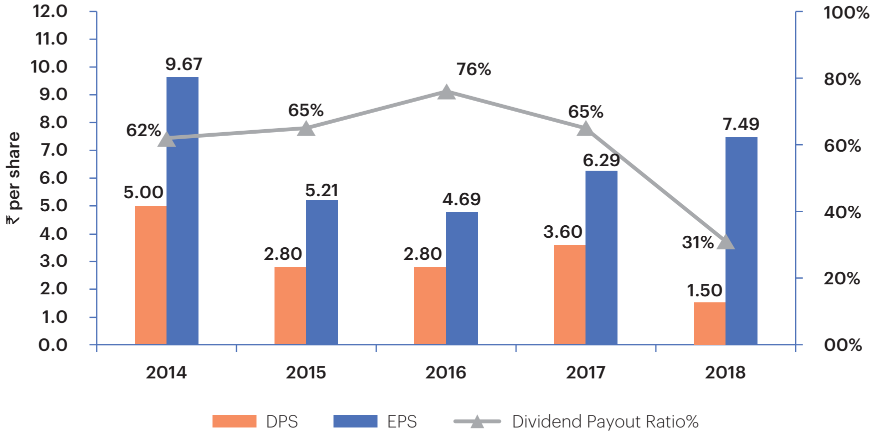
(1) Figures are as per Ind AS and schedule III of the Companies Act, 2013.
(2) Figures are as per previous GAAP and as per revised schedule VI of the Companies Act, 2013.
(3) Based on price taken from Bombay Stock Exchange as on last trading day of the year.

Performance Highlights

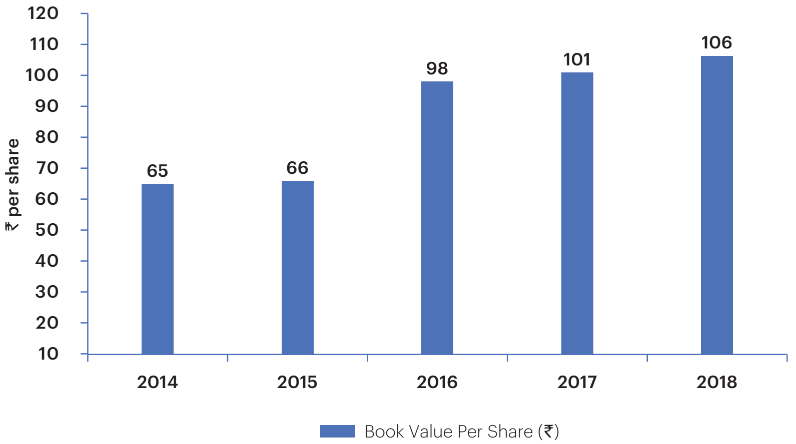




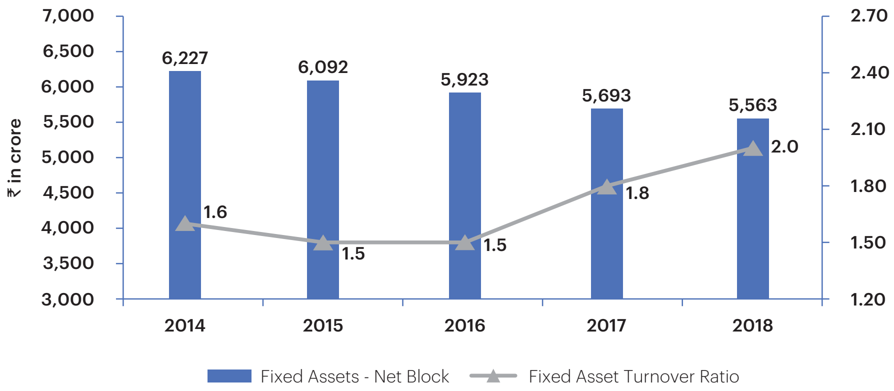
Dividend Per Share, Earning Per Share & Dividend Payout Ratio



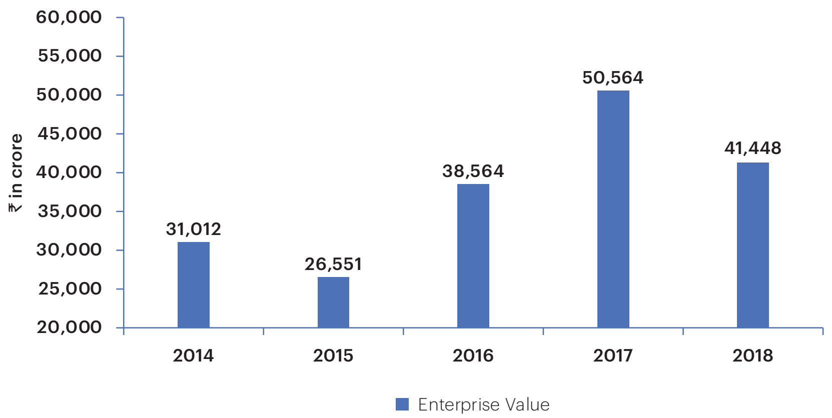
Book Value Per Share



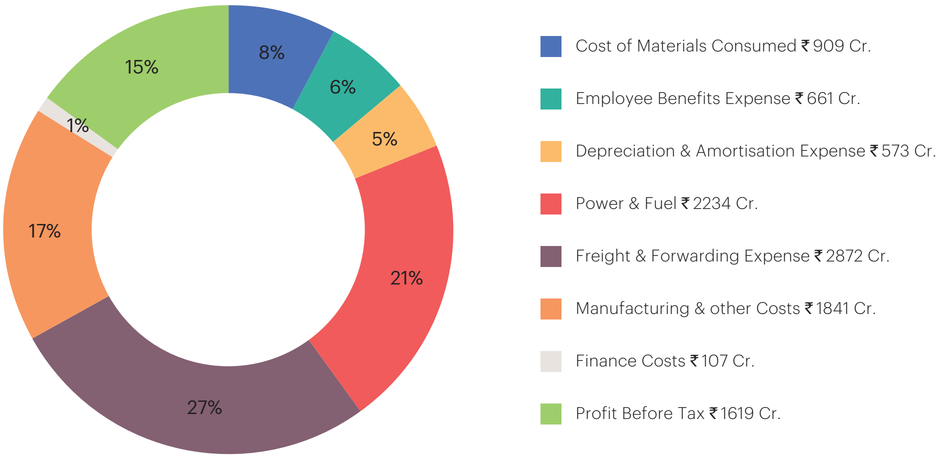
Net Fixed Assets & Assets Turnover Ratio



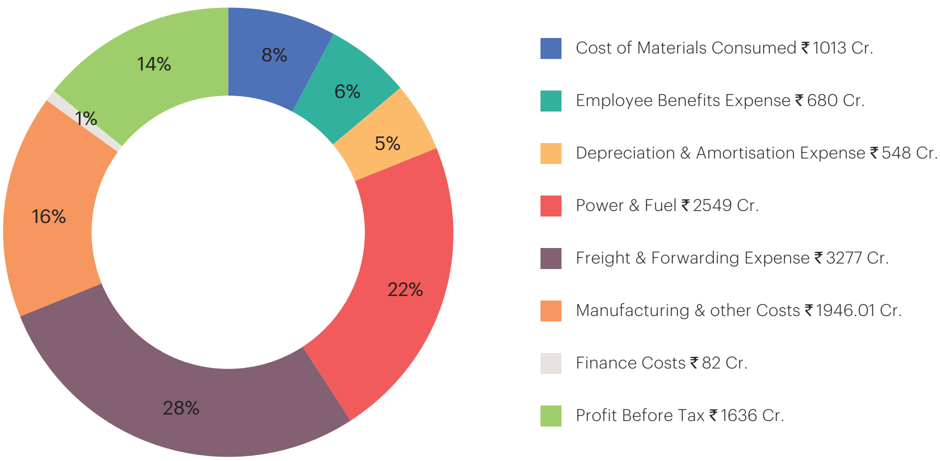
Enterprise Value



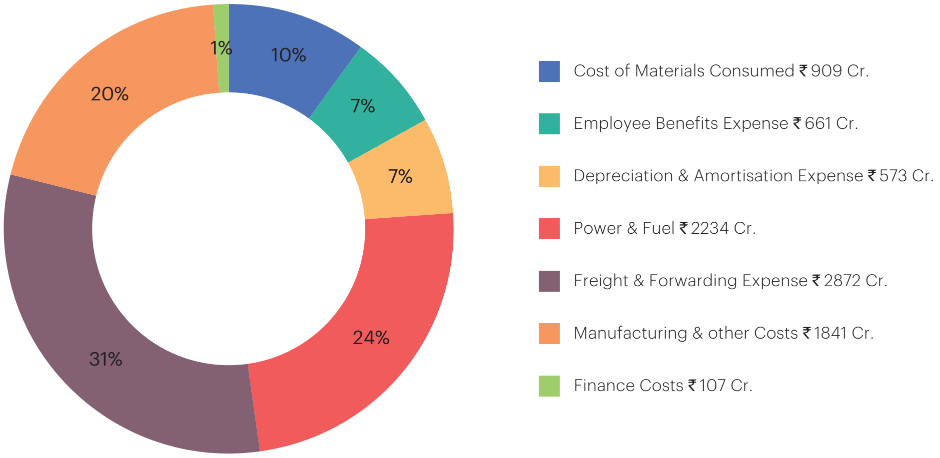
Cost and profit as a percentage of total income 2017



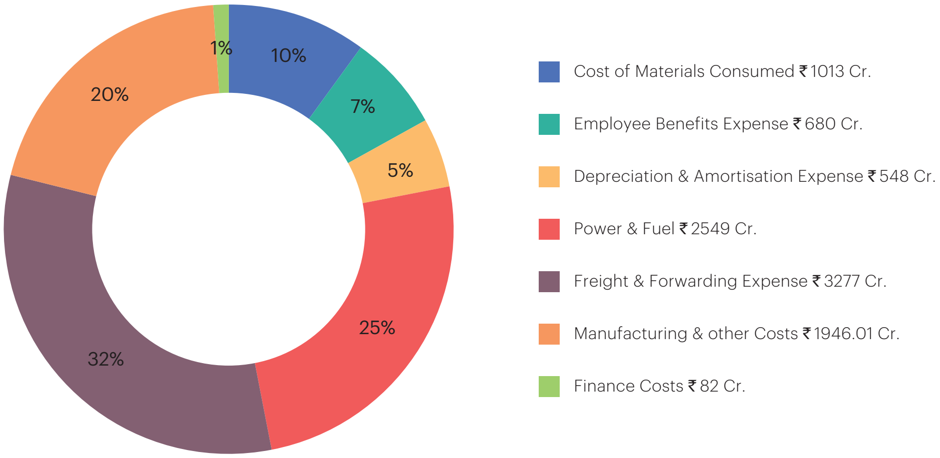
Cost and profit as a percentage of total income 2018



Cost break up as a percentage of total cost 2017



Cost break up as a percentage of total cost 2018



While coal is an integral part of cement production, it remains a scarce resource. Thus most companies relied on outsourcing through linkage coal. In 2018 Ambuja faced a setback when the government decreased allocation of coal to industrial sectors. Thankfully it was the foresight of a management decision from the past that shone light on the way ahead.

In 2015, the company had initiated the Gare Palma Coal Block. Back then, linkage coal wasn't scarce, but our people had their eye on the future. As a result, Ambuja successfully bid for this coal block which had reserves of 45 million tonnes.

It's hard to stick to a deadline for starting a coal mine.

So our people did it in record time instead.

Starting the coal block wasn't a simple task. Gaining approvals from multiple government agencies was difficult. But even tougher was the approval of the local community. Our teams went door to door, to meet the locals and address their issues. The locals realised the coal block would bring them prosperity. But more importantly they were convinced that their surroundings would be ecologically managed, because of Ambuja's track record for sustainable practices.

Now with permissions in place they only had a month to begin operations. From Procurement to Logistics, teams combined to kick-start the mining operations ahead of schedule.

The mine is now fully operational with open cast mining reaching its full capacity of 1 million tonnes. This is the first time in India that a private mine in a difficult terrain started mining operations, and achieved full capacity in just one month. It was the *I Can* spirit of our people that turned a problem into a pioneering effort.

Last year, we ranked No.7 globally in the Dow Jones Sustainability Index.

That wasn't good enough for us. Or the planet.

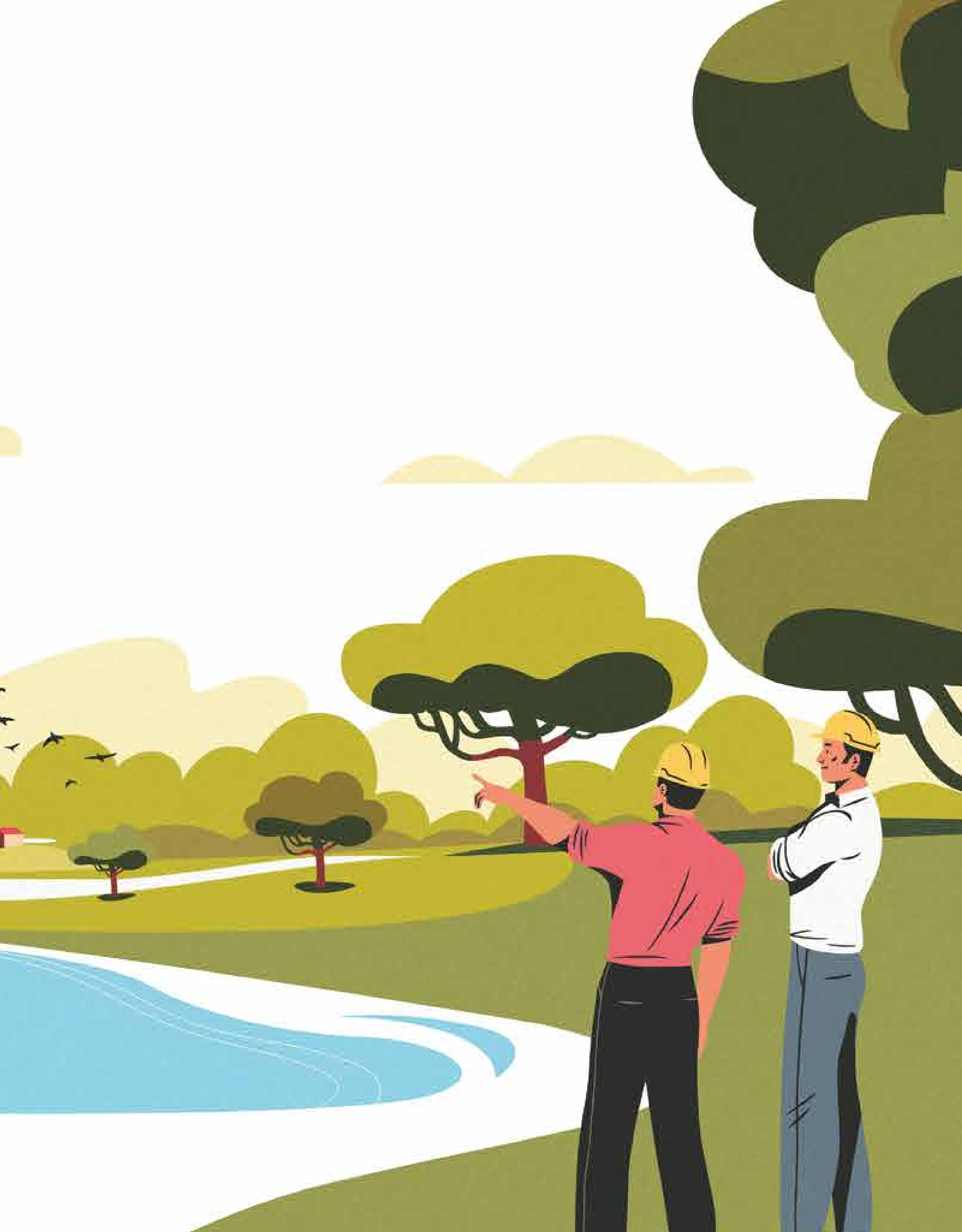
At Ambuja, sustainability has always been at the core of our processes. Through the years our efforts have led to considerable accolades at various levels. But in 2017, we gained unprecedented international recognition when Ambuja was ranked No. 7 in the Dow Jones Sustainability Index (DJSI).

The Dow Jones Sustainability Index (DJSI) is a benchmark that uses a best-in-class approach to select sustainability leaders from various industry sectors across the world.

This was not only a huge honour, but a future standard for the cement industry in India.
But our people were not comfortable with simply being amongst the best. It was our Managing Director who reminded everyone of the company's vision: To become the most sustainable company in the industry.

Efforts were doubled to integrate sustainable and social practices in each and every endeavour. Right from manufacturing down to even tax practices. At the end of the year, the company was once again up for evaluation. It was with immense pride that Ambuja was now ranked No. 5 globally in the Construction Material category, moving up two places. This included a perfect 100 score in 6 areas, and a score of over 85 percentile in 7 others.

It was the *I Can* spirit that motivated our people to raise their standards from India's best to a global leader of sustainable change.



We helped a humble tailor from
the deserts of Rajasthan,
weave together an inspiring story.

Taufique Ahmed was a simple tailor who hailed from a remote desert in Nagaur, Rajasthan. But his bold aspirations took him far beyond.

For years now, Ambuja Cement Foundation's Skill and Entrepreneurship Development Institute (SEDI) has helped people from rural India to achieve their dreams. Taufique approached SEDI, and after consulting with our people, enrolled in a Hospitality and English speaking course.

But he still needed to support his family. So to make ends meet, he studied by day and stitched clothes by night. It was a struggle for him to stay awake in class. Despite this he maintained a near-perfect attendance record. And graduated with the 'best student' badge.

His first job out of the academy was at a reputed hospital in Mumbai. With the double expenses of maintaining his family and life in the city, he was forced to get a second night job at a restaurant. But Taufique's dream of working abroad never left him. So he approached SEDI again, to assist him in finding a job abroad. Soon after, he secured a position in Riyadh, Saudi.

But bigger things awaited Taufique. In 2018, his efforts were lauded by the Prime Minister of India, Narendra Modi, when he was chosen from 2.5 lakh candidates as the 'Skill Icon' of Rajasthan. Today he enjoys a senior position at a luxury resort in the Maldives.

Taufique's story is proof that the *I Can* spirit of our people within the company can be carried beyond it by flag bearers like him.

When it comes to building one's own home, consumers across the country have always trusted Ambuja cement. It's also a well-established fact that in house construction the roof is the most critical component. Because a secure roof makes for a safe home.

Our people were all too aware of this. They sought to use the established trust in the consumer and further strengthen it. To do this, they decided to create an entirely new product – the Ambuja Roof Special.

It took innumerable collective man-hours from our team of engineers of research, testing and implementation. But together they created a breakthrough product. By helping produce cohesive and denser concrete, the Roof Special makes the roof virtually leak-proof. The product was an instant hit in the launch market. But what sent sales through the roof was the marketing push. Our branding team created a series of impactful films, that garnered over 50 million views on social media.

But even after a successful launch our engineers didn't stop there. In order to deliver a sustainable solution, they also offered customers a novel method of cement curing, which didn't require any water.

This year, the Ambuja Roof Special has reached a significant 7% share of the company's retail sales.

It was the *I Can* spirit that inspired our people to transform an entire category.

Our top-selling cement faced its strongest competition in years.

Thankfully, it was from our special roofing cement.

Awards & Recognitions

- Ambuja Cements Ltd. ranked 5th globally in the Construction Material category for the internationally renowned Dow Jones Sustainability Index 2018.
- Ambuja Cement ranked 2nd in the global Carbon Disclosure Project (CDP) for the low-carbon transition. Ambuja also topped in Climate Governance & Strategy.
- Ambuja Cement wins 'Commendation for Significant Achievement' in the 'CII-ITC Sustainability Awards 2018'. Including 8 awards for Corporate Excellence, Environment Management and CSR.
- Ambuja ranked 2nd in Responsible Business Ranking 2018 - India's top companies for Sustainability and CSR 2018.
- The Ambuja Cement Foundation was conferred with the prestigious 'ICSI CSR Excellence Award' as the Best Corporate (Large Category) by The Institute of Company Secretaries of India (ICSI).

- The Ambuja Cement Foundation won 'Best CSR and Sustainability Practices 2017' award at 5th Asia Business Responsibility Summit.

- The Ambuja Cement Foundation bagged the prestigious award for the category 'Strategic and Cohesive CSR Partnership Project' at the Gujarat CSR Authority Award 2018, for its pioneering CSR work not only in the Ambujanagar (Kodinar) region but in the entire state of Gujarat.

- Ambuja Cement's Internal Audit department received ISO 9001:2015 certification.

- Ambuja Cement was awarded the 'Best Compliance In-house Legal Team of the Year' award for 2017-2018 at the 7th National GenNext Business and Law Congress.

Integrated
Report

Decision making through integrated thinking

As a part of our Annual Report 2017, we embarked on the journey of integrated reporting by introducing elements of the International Integrated Reporting (IR) Framework developed by the International Integrated Reporting Council (IIRC). This is in line with the requirements of the Securities and Exchange Board of India (SEBI) circular dated February 2017 which recommends the top 500 listed companies to publish an integrated report. Our intention is to communicate how integrated thinking influences critical business decisions, value creation for our stakeholders and incorporation of the **Six Capitals of Integrated Reporting, i.e. Financial, Manufactured, Intellectual, Social & Relationship, Human and Natural.** For 2018, we continue to report performance of the organization in the dimensions of these six Capitals and demonstrate our commitment to create value for our stakeholders across the value chain of our business. Our integrated approach allows our stakeholders to gain a holistic view of the company's processes, goals and even numbers. Apart from tangible factors, our decision-making takes into consideration aspects such as environmental protection, engagement with local communities, supply chain sustainability, employee empowerment and ethical dealings. Accountability to stakeholders constitutes an integral part of our business philosophy which drives sustained growth.

We achieve goals by planning for the long run, the short run and in-between.

At Ambuja, we've always planned ahead, for the next step. Our business strategies are formulated with an aim to create short, medium and long term actions to achieve organisational goals across functions. Our strategy is centered on:

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

Numbers don't tell the whole story. Unless it's True Value figures.

Since 2012, Ambuja conducts an annual 'True Value' study to understand and establish the business case for sustainable development. We focus on value creation throughout our business value chain and leaving a positive impact on environment and society through activities that enhances our 'True Value' [Social & Environment Profit and Loss Assessment- to value our externalities] year-on-year. This valuation of non-financial parameters and externalities provides a mechanism to monitor and improve our social, environmental and economic performance. This approach also helps in internalising these externalities and developing a road map for enhancing value creation thus influencing our business strategy and helping us to make informed decisions.

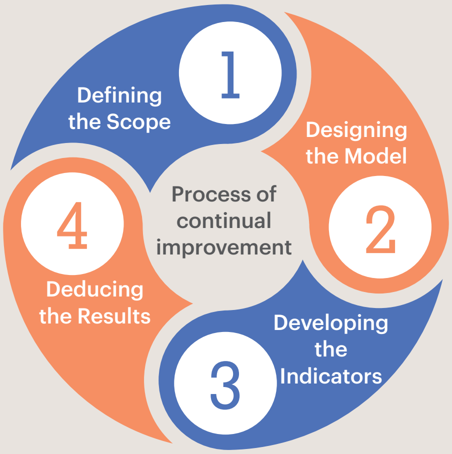
While narrating our value creation for stakeholders, we have taken into consideration the resources and relationships used and affected by our operations, which are collectively referred to as the six Capitals of integrated reporting. We have discussed the management approach implemented for each Capital,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

We're planning for a healthy future. And the environment's.

With **Sustainability as a core value,** our practices, processes and overall strategy are aligned with the triple bottomline approach aligned with our vision **"to be the most sustainable and competitive company in our industry".** We developed medium and long term objective and targets called Sustainable Development (SD) 2020/2030 Plan, comprising four major thrust areas of **Climate, Circular Economy, Water & Nature,** and **People & Community** which further have several SMART targets. This plan is inspired by Sustainable Development Goals (SDGs) and designed to ensure business growth along with increased commitment towards corporate sustainable development.

We now aim to further build upon these strategic commitments by developing systems and processes that incorporate an integrated thinking approach. This approach focuses on creating sustained value in order to maximize both financial and non-financial returns to our stakeholders. In this endeavor, we have embarked on the journey of integrated reporting. Going ahead, we aspire to develop systems and procedures that inculcate the aspect of value creation as an integral part of our decision making process over and above our traditional triple bottom line approach. In line with the same, we have developed a 4D methodology to streamline our efforts towards scaling up integrated thinking in years to come.

The 4D Methodology



Governance and stakeholder perpspective

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

Our Key Stakeholders

- Shareholder & Investors
- Government & Regulatory Authorities
- Dealer & Suppliers
- Media
- Customers
- Construction Professionals
- Employess
- Industry Associations
- Community & NGOs

Governance for integrated thinking and management

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

We find opportunities, by identifying risks.

Our approach to risk and strategy focuses on issues we have identified as most material to our business. The assessment is based on the feedback received from the internal and external stakeholders. This analysis helps us assess our overall risk exposure and supports the strategic decision - making process. We have also identified specific risks and opportunities in alignment with our Vision and Mission on people, operations and sustainability.

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

The company is proactive in accommodating towards international and voluntary guidelines that help in assessing the sustainability performance of the company and help in identifying risks and opportunities arising from the sustainability challenges.

Presentations are made to the Board on performance updates of the company, business strategy, internal controls, health & safety, sustainability, risks involved and the mitigation plan on an ongoing basis. Performance against non-financial KPIs and major sustainability initiatives/ achievements during the quarter are also reported to the Board. As a part of our familiarization program, the Independent Directors are introduced to the cement industry scenario, the socio-economic environment in which we operate, our business model and our operational and financial performance. Apart from this, they are also apprised on non-financial aspects that are material to Ambuja Cement.

Our intention is to inculcate an integrated operating model across Ambuja. To ensure this, the variable compensation of the MD&CEO has been linked not only to KRAs pertaining to internal financial success metrics (such as cash flows, EBIT, revenues etc.) but also consider external financial success metrics (such as perception metrics, environmental metrics, social figures etc.). While 60% of the MD &CEO's variable compensation is determined by the financial performance of the company, 40% depends on the non-financial performance including health & safety, sustainability (including CO^2 performance), customer excellence and excellence in operations etc.

Financial Capital – Profitability and Capital structure

We work towards enhancing our performance by delivering a significant positive contribution to financial capital.

We are focused on effective management of the balance sheet to guarantee financial flexibility and assure business sustainability in the long-term. Our investment decisions consider the targeted return and value creation across all six Capitals. We consistently put in proactive efforts in the areas of cost competitiveness and cost optimisation by reducing costs, reforming the supply chain and boosting the productivity of our plants. We conducted a Climate Change related Risk Assessment in 2018 as per Task Force on Climate-Related Financial Disclosures **(TCFD) guidelines** to evaluate in monetary terms the impacts of climate change related risks on EBITDA; at the same time we also monetized the cost savings promised by the necessary mitigation measures.

Financial Capital

Key Inputs

- Total assets: INR 25,187 Crore
- Net working capital: INR 2,040 Crore
- Total borrowings: INR 40 Crore
- Total equity: INR 21,013 Crore
- Finance costs: INR 82 Crore
- Retained earnings: INR 1,039 Crore
- Tax paid as per cash flow: INR 625 Crore

Value Chain Activities

- Mining lease
- Land acquisition
- Procurement
- Research and Development

Key Outcomes

- Revenue from operations: INR 11,357 Crore
- Increase in sales: 7.1%
- Operating EBITDA: INR 1,891 Crore
- EBITDA margin: 17.23%
- Operating cash flow: INR 596 Crore
- Market capitalization at the end of 2018: INR 44,389

Manufactured Capital – Expansion and consolidation

In order to deliver our products and services safely, efficiently, reliably and sustainably, we significantly count on our fixed assets.

We ensure value creation through consolidation and expansion of existing capacities. We regularly improvise our operational model and continue to nurture and grow these assets. We put concerted efforts in reducing the environmental footprint of our facilities and enabling compliance with new regulatory requirements and are committed to our long-term business strategy. Our plants follow lean model of operations to ensure optimal utilization of assets, infrastructure and equipment.

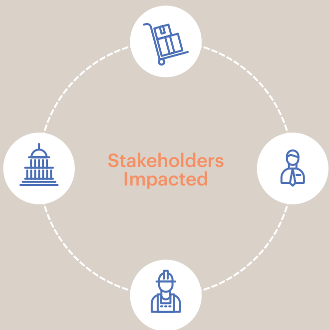
Manufactured Capital

Key Inputs

- Total of 13 plants
  - 5 integrated plants
  - 8 grinding plants
- 5 shipping terminals
- Production capacity 29.65 MTPA
- Capex during the year: 639 Crore
- 15 Mine leases across India with 7346 Ha area
- 2 limestone screening plants in operation and 3 plants proposed

Value Chain Activities

- Mining plan
- Land acquisition
- Resource extraction
- Preparing raw feed
- Grinding raw meal
- Pre-heating, Calcination
- Clinkerisation
- Fuel preparation and Homogenisation
- Stacking
- Cement grinding
- Packing and dispatch



Key Outcomes

- Total cement production: 24.32 million tonnes
- Clinker factor in production has improved by two percent point
- Thermal substitution rate: 5.61%
- Screening plants have led to conversion of low grade limestone to cement grade thus conserving natural resource and increasing life of a mine
- All plants are ISO 9001, OHSAS 18001 and ISO 14001 certified
- Specific Thermal Energy Consumption: 3180 MJ/T Clinker

Intellectual Capital – Innovation, Sustainable construction, Ethics & Compliance

We strategically enhance our value proposition through development of new sustainable products and by offering unique service solutions.

The drive to serve a growing population has spurred the adoption of new technologies. We strive to gain a competitive edge over our peers by enhancing the quality of our products through technological advancement and our ability to innovate. Innovation is placed centrally across our value chain. Our Ambuja Knowledge Centers and Ambuja Knowledge initiatives aim at giving our customers maximum value through a diverse portfolio of products and services.

Intellectual Capital

Key Inputs

- Discovering latent customer needs, developing and scaling up new solutions at market place
- Technical support from our parent LafargeHolcim group
- Internal thought leaders and external experts influence the sector
- R&D spend

Value Chain Activities

- Research and Development

Key Outcomes

- PuraSand, a premium quality manufactured sand for plastering application launched, which saves natural resource like river sand
- Sales of premium products up by 38% on YoY basis. Ambuja Plus Roof Special: 27% YoY growth and Ambuja Compocem: 125% YoY growth.
- Enhanced consumer trust on product quality, brand promise and other beneficial features.
- Value created for society & environment by utilization of supplementary cementing material like fly ash and slag
- 6 technical support labs are NABL accredited

Creating value through innovation

Product Stewardship that communicates the environmental performance of our products.

During 2018, we conducted Life Cycle Analysis (LCA) for our two major low carbon products, Portland Pozzalana Cement (PPC) and Composite Cement across all our plants as per ISO 14025 Type III Ecolabels & Declarations, and in line with the product category rules (PCR) CPC-3744 developed by Cement Sustainability Initiative (CSI) of World Business Council for Sustainable Development. The resultant Environment Product Declarations (EPDs) were externally verified by independent assessors and also uploaded on the international portal "Environdec". This portal allows the B2B communication to our stakeholders and customers on the environmental performance of these products without making any performance or quality based comparison with other products in the market. Ambuja is the first Indian cement company to adopt such green product Declaration to distinguish its products and enable the customers to make an informed sourcing decision.

Social & Relationship Capital – Community engagement, Customer relationship management, Supply chain management

Since inception, we have aspired to be a neighbor of choice by creating a socio-economic value based on trust which in turn improve our long term viability.

Engagement with our internal and external stakeholders, their prosperity and happiness quotient are vital to us. Corporate social responsibility is an opportunity for us to contribute to the society and drive development within the communities that we operate in. In addition to the societal value we create through our core business activities, we undertake targeted community and social development initiatives. We work beyond addressing poverty and implement an integrated approach through knowledge, skills and infrastructure development.

Social & Relationship Capital

Key Inputs

- Total vendors assessed in supply chain: 553
- Customer complaints resolved: 896
- Value Added Services for Customers: Instant Mix Proportioning (36647 nos), Modular Curing Solution (9078 nos), Rain water harvesting skill building sessions (282)
- No. of technical lectures: 14825
- 7874 Vendors were on boarded
- Policy in place for referring locally based (national market) suppliers
- Expenditure on vendor development: INR 9395 Crore
- Investment in rural housing and development
- 553 suppliers were assessed for human rights aspects
- INR 53.46 Crore were spent on CSR
- All sites with Stakeholder Engagement Plan in place

Value Chain Activities

- Land acquisition
- Procurement
- CSR activities
- Marketing and sales

Key Outcomes

- 553 vendors pre-qualified the sustainable supply chain assessment
- Total 7792 active local vendors (from the national market) as a result of implementing the policy
- Around 2.4 Million lives were reached through our CSR activities including 2,50,103 new beneficiaries in 2018.
- 2464 Women Self Help Groups with 28285 members and a total corpus of INR 18 Crore.
- 30 Skill and Entrepreneurship Development Institutes (SEDI) have trained over 42000 youth.

Creating value by promoting skill-based livelihoods

We are trying to Build More Skills for Youth in India.

The year 2018 witnessed the number of our **Skill and Entrepreneurship Development Institutes (SEDI) going upto 30 (from 22 in 2017)** across the country with the expansion of different skill and entrepreneurship courses. About 7900 students graduated from the institutes this year, bringing the cumulative number of skilled youth to over 42000, with 73% of them being gainfully employed. This increasing number of centers and graduates is due attributable to our growing partnerships with some of the leading corporates in India such as ADOR Welding, APM Terminals, Castrol India, Cipla Foundation, Gruh Finance, Godrej Consumer Products, Schneider Electric, Tech Mahindra Foundation, AU Bank, Hindustan Zinc, etc.

Human Capital – Employees, Talent Management, Health and Safety.

Our people strategy, systems and processes have made us stronger to face the future.

Human Resources (HR) plays a pivotal role in realising business objectives by coordinating organisational change, fostering innovation and mobilising talent to sustain the organisation's competitive edge. We put concerted efforts to provide a congenial work environment with innovative recruitment and retention practices. Health and Safety (H&S) has continued to be the principal value for Ambuja Cement and is a top priority for us. Maintaining high standards with health and safety results in improved quality and productivity. We are not only committed to achieve 'Zero harm' but also focus on building health and safety competencies of people. The LH Group's global expertise in Health and Safety processes & systems, Talent Management and best HR Processes helped us in realizing our vision of 'Zero Harm' and becoming an employer of choice.

Human Capital

Key Inputs

- 5180 employees (118 females and 5062 males)
- No. of employees hired: 376
- Total man-hours worked: 1,25,44,148
- Employee wages is INR 679.57 Crores
- Average employee cost incurred is INR 13,11,911 per annum
- 6 recruitments under new verticals
- Total Training imparted: 7570 man-days
- Health & Safety App launched
- H&S Campaigns on Road Safety, Working at Height, Energy Isolation and Permit to Work
- H&S audit (Group, Cross OpCo or Intra-plant for all units)

Value Chain Activities

- Trainings
- Cement manufacturing process
- Marketing and sales

Stakeholders Impacted

Key Outcomes

- Revenue per employee is INR 2,19,24,247
- 87% of employees engaged as per last survey
- 13 cases of employee grievances recorded
- 17 women recruited in 2018
- 2% women in total workforce and 4% women in senior management level.
- 35% reduction in total Onsite injuries, 31% reduction in Total Injury Frequency Rate (TIFR) and 37% reduction in Lost Time Injury Frequency Rate (LTIFR)
- On-site fatalities: 2
- Improvement in health of people
- Decrease in rate of absenteeism

Accelerated Learning Model

Accelerated Learning Model (ALM) is an initiative from ACC-ACL Leadership Academy (AALA) and focuses on bringing byte-sized learning to user workplace. Each ALM initiative is based on a specific theme for the month (e.g. Performance Management, Personal Development, Health & Safety, Diversity etc). The learning content is delivered online and includes short videos, courses and audio lessons. ALM contests are run at the end of each month reinforcing key learning points covered during the month. AALA conducts ALM survey every six months to understand learner feedback on the initiatives launched, and gauge learner interests and preferences. The survey also helps us to understand and measure effectiveness of this initiative and bring about changes to make it more appealing, relevant, and enriching to learners. ALM is supplementing our other e-learning modules, classroom and field trainings.

Significant progress in Health & Safety of our people.

We have made significant strides in our Health & Safety (H&S) journey. In 2018, our concerted focus on systems and processes, incident learning, 'More-Boots-on-the-Ground' coupled with greater visible leadership on the frontline, has delivered good results. These initiatives reduced overall injuries by 34%, Lost Time Injury Frequency Rate (LTIFR) by 38% and Total Injury Frequency Rate (TIFR) by 31%. Our Surat and Farakka plants have accomplished 'Zero Harm' in 2018 while seven sites (Rabriyawas, Nalagarh, Dadri, Bathinda, Roorkee, Dirk and Marwar Mundwa) recorded 'Zero Lost Time Injury' (LTI). All these validate our seriousness and significant progress in the H&S with better performance across our operations – at our plants, warehouses as well as in transportation. We Care is our transformation journey that has helped us significantly in this implementation.

Natural Capital - Resource availability, Energy efficiency, Air emissions, Water management, Waste management, Biodiversity.

Maintaining an operational – environmental balance is a key driver in our business

We recognize the global pressure on natural resources and place high priority in managing our raw materials. With an objective to reduce reliance on non-renewable raw materials, we have implemented a robust strategy focusing on optimising our supply chain and mining operations. Use of alternative raw materials has been made a strategic priority to reduce the consumption of natural resources and extend the life of the quarries. Energy conservation and emission reduction forms an integral part of our business strategy. Our sustainability and climate change mitigation policies reflect its commitment to sustainable development. Moreover, we have also developed the ability to switch to the most economical fuel mix. We invest significantly in reducing our environmental footprint and in enhancing the positive contributions of our products and processes. Ambuja was ranked 2nd among 13 global cement companies in the Carbon Disclosure Project League table of 2018. The list indicates the companies which are best prepared for the low carbon transition.

Natural Capital

Key Inputs

- Operational water consumption is 127 lit/t cementitious material
- Operational fresh water withdrawal is 64 lit/t cementitious material
- Total heat consumption kiln 49852 TJ
- Alternative fuels utilized 1904 TJ
- Alternative bio fuels utilized 895 TJ
- All quarries are assessed for Biodiversity baseline conditions using BIRS (Biodiversity Indicator & Reporting System) every two year
- INR 102.4 Crore incurred under environmental expenditure

Value Chain Activities

- Mining lease
- Land acquisition
- Procurement
- Research and Development
- Manufacturing processes
- Logistics

Key Outcomes

- Total waste generated 383,711 Tons out of which only 73 Tons were disposed by land-filling. All other wastes were reused, recycled or sent for energy recovery.
- 529.6 kg CO_2/t of cement net emission (Scope 1) released
- Specific SO_2 Emission: 42.5 g/t of cement
- Specific NO_x emission: 1111 g/t of cement
- Specific dust emission: 21.9 g/t of cement
- 7.1”% of renewable energy over total energy consumption.
- 15% of water is recycled
- Over 6 times water positive

We follow 'Circular Economy' to protect Environment, Society and Our Bottomline

Waste materials, both non-hazardous and hazardous wastes, from other sources as resource for us. Ambuja used about **8 million tonnes** of waste derived raw-materials and fuels such as fly ash, slag and biomass. About **0.3 million tonnes of alternate materials and wastes were used as fuels** used to achieve the thermal substitution rate of 5.6, replacing fossil fuels. In a major initiative to be a plastic negative company, we co-processed about **69,000 tonnes of plastic waste** from the market and became about two times plastic negative (which means burnt two times more plastic wastes from elsewhere in the Ambuja kilns than the plastic content used in the cement bags).

Value created for our stakeholders

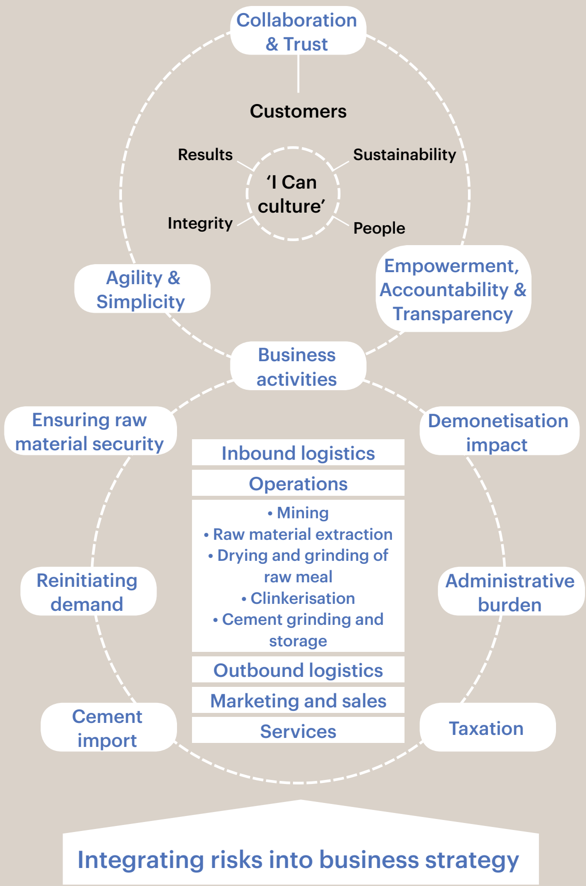
In wearly 2018, a comprehensive stakeholder engagement exercise was carried out to understand the expectations of our stakeholders (internal and external) and identify the material topics for the preparation of this report. This exercise also gave us an opportunity to identify concerns amongst various stakeholder groups, fostering transparency and building confidence for their desired satisfaction. We believe that an organisation's performance is essentially influenced by the availability of resources and the quality of relationship it shares with its stakeholders. While our operations work towards achieving excellence in all aspects, there is also a great thrust on the empowerment of our human capital as well. We work relentlessly towards driving technological disruptions to ensure sustainable business growth that reduces our operational footprint. Our efficient utilisation of assets helps us gain a competitive advantage while also uplifting the communities that we operate in.

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

Capitals

- Financial
- Manufactured
- Intellectual
- Social & Relationship
- Human
- Natural

Value creation through integrated thinking



While estimation for 2018 is still under process, our net positive contribution to environment and society in 2017 was about INR 2200 crore as compared to about INR 750 crore in 2012. Most of this value creation was achieved through fly ash utilisation, water harvesting and recharge projects, agro-based livelihood creation and use of alternative fuels and raw materials (AFR).

Increasingly, we are focussing on evaluating social impact of CSR projects through True Value as well as SRoI (Social Return on Investment). An SRoI study (2017) of Watershed Development project at Darlaghat (Himachal Pradesh) found that for every ₹1 million invested by Ambuja, there has been a resultant social return of ₹ 8.4 million. This is succeeding to the 2016 SRoI results of ₹13 million at Kodinar (Gujarat) and ₹5 million at Rabriyawas (Rajasthan), respectively for every ₹1 million invested. These SRoI results aid our decisions to make our CSR investments more strategic.

Value created for our stakeholders

Shareholders & investors
- Increased market capitalisation
- Elevated EBITDA margin
- Rise in operating cash flow
- Increased revenue from operations

Customers
- Sustainable and cost saving products
- Increased customer satisfaction

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

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

Directors' Report and Management Discussion and Analysis

Dear Members,

It is our pleasure to present the Annual Report of the company for the year 2018.

1. An overview of the Indian economy and cement industry in 2018.

Macro economy.

Indian economy in 2018 began its journey to recovery as it reclaimed the position as the fastest growing economy. Macro-economic policies and structural reforms along with the improved consumer sentiments, strengthened economic growth which led to a swift revival post the temporary disruption caused due to demonetisation and Goods & Services Tax (GST).

As per the Central Statistics Organisation (CSO), India's GDP grew by 6.7% in FY 2018. The constant increasing trend of quarterly GDP numbers in the four quarters of FY 2018 (Q1: 5.6%, Q2: 6.3%, Q3: 7% and Q4: 7.7%) are indicative of the fact that the structural measures of reforms undertaken by the government are now bringing rich dividends in the form of higher GDP growth. Digitisation across industries brought increased transparency and ease of doing business, which also helped speeding of the revival cycle which otherwise could have taken longer.

Performance across sectors (agriculture, manufacturing and services) improved, which was well reflected in the World Bank's Ease of Doing Business 2019 survey where India climbed 23 places and ranked 77th among 190 countries. This made India the only country among the top 10 improvers for the second consecutive year; and this sharp rise in ranking will further burnish the reformist credentials of the Government.

During the year long journey, the economy did face a growth risk due to fluctuation in rupee and crude price; however, this continued volatility will not impact India's sovereign credit profile as per Moody's analysis; as the rupee-denominated government bonds and robust foreign exchange reserves will help mitigate the risk.

Cement industry.

Reflecting the country's economic sentiment, the cement sector too displayed impressive growth of approx. 9% in 2018 on the back of faster execution of stalled infrastructure and construction projects. Infrastructure (roads and metros, in particular) and the government's "Housing for All" program (rural and urban), remained the key demand drivers. Implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA) too brought a paradigm shift in the construction sector by making the sector transparent. With robust demand, capacity utilization in 2018 improved by 2-3% as compared to 2017 despite capacity expansion during the year.

2. Operational and Financial performance - 2018.

The company cemented its position in 2018.

- Cement production increased by 5.9% from 22.98 million tonnes to 24.34 million tonnes.
- Domestic cement sales volume increased by 5.4% from 22.95 million tonnes in 2017 to 24.18 million tonnes in 2018.
- The net sales increased by 7.1% from ₹ 10,250 crores in 2017 to ₹ 10,977 crores in 2018. The average sales realisation increased by around 1% at ₹ 4510 per tonne against approximately ₹ 4,460 per tonne in 2017.
- The total operating expenses for the year 2018 were higher by 11% than the previous year.
- The EBITDA of ₹ 1,891 crores was 2.5% lower than the corresponding EBITDA of ₹ 1,940 crores for the year 2017.
- Profit before Tax at ₹ 1,506 crores was down by 7% from ₹ 1,619 crores for the year 2017.
- Net Profit at ₹ 1,487 crores was up by 19% over the corresponding Net Profit of ₹ 1,250 crores for the year 2017.

Performance of the material subsidiary.

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

- Cement sales volumes in 2018 were up by 8% at 28.4 million tonnes.
- Operating EBITDA for the year was ₹ 2,048 crores, as compared to ₹ 1,912 crores in the previous year.
- Consolidated profit before tax for the year was up by 15% to ₹ 1,510 crores as compared to ₹ 1310 crores in the previous year.

Financial Performance at glance.

Amount ₹ in crores

	Standalone		Consolidated	
	Current Year 31-12-2018	Previous Year 31-12-2017	Current Year 31-12-2018	Previous Year 31-12-2017
SUMMARISED PROFIT AND LOSS				
Sales (Net of excise duty)	10,977.00	10,250.18	25,419.00	23,126.08
Profit before finance cost, depreciation &	2,266.44	2,299.23	4,382.23	4,180.19
amortisation expense and exceptional item				
Finance costs	82.33	107.19	170.50	205.78
Gross Profit	2,184.11	2,192.04	4,211.73	3,974.41
Depreciation and amortisation expense	548.09	572.92	1,153.94	1,219.45
Add: Share of profit of associates and joint ventures	-	-	12.53	12.77
Less: Exceptional item	129.95	-	151.78	-
Profit before Tax and Non Controlling Interest	1,506.07	1,619.12	2,918.54	2,767.73
Tax expense	19.06	369.55	(54.15)	822.85
Profit after tax but before non controlling interest	1,487.01	1,249.57	2,972.69	1,944.88
Less: non controlling interest	-	-	795.29	428.52
Net profit for the year	1,487.01	1,249.57	2,177.40	1,516.36
MOVEMENT IN OTHER EQUITY				
Balance as per last account	1,303.52	687.18	1,843.76	992.48
Net profit for the year	1,487.01	1,249.57	2,177.40	1,516.36
Add : other comprehensive income	2.09	3.41	(0.17)	4.32
Less: Dividend on equity shares (including interim)	397.13	555.98	397.13	555.98
Less: Corporate dividend tax on above	52.65	80.66	81.82	113.42
Closing balance	2,342.84	1,303.52	3,542.04	1,843.76

3. Dividend for the year 2018.

The company has a robust track record of rewarding its shareholders with a generous dividend pay-out (both interim & final). However, with a view to conserve resources for the upcoming expansion & other capital expenditure projects, the Company did not declare the Interim Dividend during the year 2018. The Board of Directors is now pleased to recommend a dividend of ₹ 1.50/- per share (75%) which will result in the total pay-out of ₹ 332 crores, inclusive of dividend distribution tax of ₹ 34 crores. This represents a pay-out ratio of 31%. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy, which is annexed as **Annexure – I** of this report. The policy is also available on the website of the Company and can be accessed through the web link:https://www.ambujacement.com/Upload/PDF/dividend-distribution-policy.pdf

Credit rating.

The Company enjoys a good reputation for its sound financial management and its ability to meet financial obligations. CRISIL, the reputed Rating Agency, has re-affirmed the highest credit rating of CRISIL AAA/ STABLE for the long term and CRISIL A1+ for the short term financial instruments of the Company.

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

Structural reforms and policies ushered the economy to a high growth path which was reflected in the construction, commercial, infrastructure and cement industries. It restored confidence in the domestic and international communities. GDP increased to 6.7% in 2017-18. With a balanced demand and supply, cement sector recorded robust growth of 9% for FY 2018 despite the initial hiccups due to GST.

Ambuja's cement sales in 2018 grew by 5.4% to ~ 24.18 million tonnes as compared to 22.95 million tonnes 2017 on the back of continued focus on core markets and retail push strategy.

The Master Supply Agreement, a maiden initiative by Ambuja and ACC, helped unlock mutual benefits from various areas of synergies.

Excelling through deeper engagement with customers.

In line with company's vision to promote sustainable construction practices our Technical Support (TS) team has started promoting sustainable construction practices through our Twenty-Eight Ambuja Knowledge Centres (AKCs) in core markets. Through AKC platform, the Company promotes sustainable products & solutions amongst its customers, architect, mason's etc. Today, this platform is digital and its reach has considerably widened, thus living up to its objective of becoming a digital service that informs, interacts and engages.

PREMIUM PRODUCTS – SUSTAINABLE INNOVATIONS

Products Developed From Concrete Insights.

Ambuja has continued the approach of discovering latent customer needs, developing and scaling up solutions at market place with a systematic go-to- market platform developed with support from our parent, LafargeHolcim.

This has enabled the company to successfully continue the launch of new products with added focus on premium products and helped scale up sales of premium products by 38% on YoY basis - Ambuja Plus Roof Special: 27% YoY growth and Ambuja Compocem: 125% YoY growth. This was possible due to enhanced consumer trust on product quality, brand promise and other beneficial features extended to consumers. The new products not only fulfil important customer needs but also help in significantly reducing the carbon footprint.

AMBUJA PLUS COOL WALLS

The planet's heating up, so we made cooler cement.

Ambuja Plus Cool Walls was launched last year as an environment friendly, strong and cool wall solution. During 2018, this product expanded to nine core states in India and 67,250 cubic meters were sold through eight operating units. The target for 2019 is to achieve 100% growth by expanding the product reach in operating markets.

AMBUJA PURA SAND

Aggregate is the most important natural resource for making mortar and concrete in construction. Day by day depleting natural resources like river sand has become a challenge for consumers as well as for entire construction industry. Looking this Ambuja has launched “PuraSand”, which is a premium quality manufactured sand for plastering application. The unique feature of Ambuja “PuraSand” is 100% purity (free from impurities), perfectly graded, Zero wastage and guaranteed weight. The initial response of this product is very much encouraging and company is planning to expand its reach to all its important markets.

LOGISTICS AND SURFACE TRANSPORT

Distribution Safety

In line with its commitment to Lafarge Holcim’s Zero Harm policy, Ambuja has taken long strides in improving distribution safety in its end-to-end logistics operations. Technology enabled real time monitoring of safety KPIs resulted in a substantial improvement in safe KM from 53% in 2017 to 79% in 2018. During the year, In Vehicle Monitoring System (IVMS) was fitted in over 7000 vehicles and e-passports distributed across all plants. Over 1300 drivers were trained through a structured training process as per stringent global standards.

Capability Building

In order to have sustainable solutions to mitigate challenges of availability of rail wagons; coupled with demand fluctuations, efforts were made to balance mode-mix and insulate the organisation.

The organisation now is well prepared to meet any situation and ensure 100% evacuation under any circumstances. Planned augmentation of road fleet, use of external sidings and network optimization were key drivers of capability building.

Cost Leadership

Led by high fuel cost, change in tax structure (GST) and high cost of packing bags, cost was always under pressure throughout the year. Sharp focus on network optimisation, change in mode-mix, re-negotiation of transportation contracts enabled the organisation to take maximum advantage of cost optimization initiatives. These initiatives will result in recurring cost benefits and enable Ambuja for superior logistic performance in the coming years.

Technology

Acknowledging the importance of real time control over logistic operations, the company has initiated various technical initiatives towards the use of advanced SCM practices and digitization of end-to-end process.

We were amongst the first in the industry to implement Transport Control Tower (TCT) for real time control over logistic KPIs. The first phase derived substantial benefits in distribution safety; and in the second phase, these analytics are being used to optimize cost and improve customer service.

People Management

Logistics organisation was restructured to create a lean and seamless structure to control end to end logistics operation from inbound to outbound. The reorganized structure now has a blend of experienced and young leaders. The global capability of LafargeHolcim is being used to give global exposure to SCM professionals. Recruitment of young talent is being done in a structured manner to ensure an uninterrupted availability of quality professionals. These people initiatives will help Ambuja become the best in class SCM organisation in India and globally too.

5. Cost developments.

On the cost front, the company witnessed significant pressure over the course of the year due to increase in various input costs. These increases were caused largely due to external factors and also affected many other industries. Crude prices, raw material costs and even fuel costs saw a significant rise in prices. To limit the impact of such cost increases, the company improved its efficiency, fuel mix optimisation and strategic sourcing. Such internal initiatives and measures helped restrict the costs from rising to even higher levels.

Major cost movements.

i) Raw Material costs constituted approximately 10% of the total expenses. The cost of major raw materials increased by 6% over the previous year on a per tonne basis. This increase was largely because of an increase in the cost of fly ash. This was however mitigated through optimal sourcing and a judicious change in the gypsum mix, which helped the company to restrict the increase in gypsum cost by only 1% in comparison to the previous year. The company also saw a reduction in the per tonne cost of Bauxite and Iron Dust, which further helped to reduce the impact of the rising cost of raw materials.

ii) Power and fuel costs constituted approximately 25% of the total expenses. In 2018, we saw a significant increase in fuel price as compared to 2017. This was because of an increase in the prices of imported coal and petcoke. As a result, the power and fuel cost in 2018 increased by more than 8% in comparison to 2017 on a per tonne basis. This impact would have been significantly higher, however, the dynamic fuel mix strategy helped restrict the impact. Over the course of the year, the company was able to remain alert and time and again was able to change its fuel mixes in Kiln and CPP by using a relatively lower cost fuel. The usage of alternate fuels in kiln also increased by 2%. Furthermore, the company consumed 69% of the total power requirement from captive sources, including an increased usage of the Waste Heat Recovery System. Lower rate of purchased power also helped to lower overall power & fuel cost over the previous year.

iii) Freight and forwarding costs constituted 32% of the total expenses. On a per tonne basis, the cost increased by 8%. This increase was largely due to 17% increase in diesel prices in comparison to the previous year. To tackle this, the company took up various logistical initiatives such as the reduction of rail lead by 7 km and availing Long term tariff Contract benefit with Indian Railways as well as axle load benefit with transporters. Such initiatives helped offset the impact of higher diesel prices to some extent.

iv) Other expenses that constituted 20% of the total expenses were restricted to an increase of just 1% over the previous year, despite a 10% increase in packing bag cost, which increased because of the PP granule price increase. The company undertook a fixed cost optimization drive and as a result, saw savings in many fixed cost elements. Such initiatives helped to keep other expenses in check.

Cost mitigation measures / efficiency improvement initiatives.

i) To further strengthen the company's philosophy of Sustainable Operations, central focus was placed on the production of fly ash based PPC. While keeping its PPC in mind, several initiatives were taken up to enhance fly ash consumption to maintain the best-in-class quality.

ii) The company continued its effort of optimising costs of the fuel mix and worked on its fuel flexibility to mitigate any risks associated with the dynamic fuel market. All efforts were directed towards using low-cost fuels like petcoke.

6. Expansion projects and new investments.

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

Our people are safer, and so is the environment.

The company focused on the consolidation and optimisation of its existing capacities in all the three regions. In accordance with its policies of Zero Harm, Clean and Energy Efficient Infrastructure, Cost Efficiency, Environment-friendly material handling systems and Sustainability initiatives, the company ensured the highest standards of safety with the help of the capital investments during the year.

Achievements at a glance.

i) The projects taken up to comply with the new environmental regulations for Dust, SOx and NOx, issued by the Ministry of Environment, Forests and Climate Change (MoEFCC) are in an advanced stage. The total investment is estimated at approximately ₹ 125 crores. Best technologies are being deployed at par with global best practices.

ii) To meet the limestone requirement, the company has invested ₹ 113 crores to purchase approximately 96 hectares of land at Darlaghat, Ambujanagar, Rabriyawas and Bhatapara.

iii) To strengthen the company's logistical capability as well as extend its reach to customers, a new railway siding project is in progress at the Rabriyawas unit in Rajasthan at a cost of ₹ 180 crores. Possession of land taken and ground work for line laying is currently in progress. Other than the line laying work, 70% of the project is complete. As per current timelines, the project is expected to be completed by Q1-2020.

iv) Ambuja acquired a coal block at Gare-Palma sector IV/8 in Chhatisgarh at an e-auction of coal blocks conducted by the Government of India. This, with an estimated investment of ₹ 363 crores, will secure the company's long-term requirement of fuel. Open cast mining commenced from April 2018 and commercial production from October 2018. The mines development-cum-operation (MDO) contract has been finalised and site development activities are underway for underground mining.

Upcoming Capacities and Investments.

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

- Opening of limestone mining with mining infrastructure at Maldi Mopar Mines at an approved cost of ₹ 120 crores.
- Installation of the Limestone Transportation System for the said mines at an approved cost of ₹ 85 crores.

ii) Setting up of a greenfield integrated plant with a capacity of 3.1 million tonnes clinker, 1.8 million tonnes cement grinding alongwith Captive Power Plant and Waste Heat Recovery System at Marwar Mundwa in Nagaur District of Rajasthan with a total investment of ₹ 2350 crores. The new plant will be commissioned by September, 2020.

iii) In order to secure the long-term limestone requirement of the Ambujangar plant in Gujarat, the company has acquired a new mining lease at Loadhva. The environmental clearance and other required approvals for the mining lease have already been obtained; and mining equipment delivered. Land acquisition is underway; development and infrastructure work for the mine is in progress and expected to be operationalized by March 2019.

iv) In order to secure long-term limestone requirement of Maratha Cement Works plant in Chandrapur, Maharashtra, the company has acquired a new mining lease at the Nandgaon Ekodi. Environmental clearance and other required approvals for the mining are in progress.

v) To ensure adequate availability of dry fly ash for the North cluster, the company has drawn up plan to invest ₹ 20 crores to install a 'fly ash dryer' at Ropar. Civil construction and delivery of equipment are in progress.

7. The year 2019 will be one of growth.

The world is confident of India's growth potential

The confidence in the Indian economy has increased substantially because of the various policy measures taken by the Government and Central Bank.

India's future growth trend will be driven by structurally positive factors – favourable demographics, structural reforms, increased digitization, focus on development of infrastructure and housing and acceleration of productive job opportunities. We are certain that with continued thrust and impetus, India will retain its position as one of the high growth economies over the medium term.

8. Key areas of concern.

Ambuja has a comprehensive framework for risk management covering strategic, operational, compliance, financial and sustainability related risks through the Business Risk Management (BRM) process which is also a part of the yearly business plan. Risk assessment provides not just the mechanism for identifying risks and opportunities but also gives Ambuja a clear view of variables to which the company may be exposed – internal, external or forward-looking.

The BRM process involves identification and prioritization of risks through risk maps, business risk environment scanning and risk assessments. Both approaches -- 'Top down' and 'Bottom up' are taken to assess risks / opportunities, which is then consolidated / calibrated to get an overview of the entire organisation.

The Risk Management committee under the chairmanship of Mr. Rajendra Chitale, Independent Director, reviews and discusses the risk trends, exposure and potential impact analysis.

All this is done while maintaining the appropriate controls to ensure effective and efficient operations and regulatory compliance. Following key risks were identified for 2018:

Compliance with new regulations

Regulatory changes have been proceeding at a rapid pace across countries due to changes in climate and environment. Non-compliance to new standards imposes high degree of complexity as it may lead to reputational and financial consequences. To meet business challenges, transformation, upgradation, modification etc. are the different tools which are used to comply with the regulatory changes but these come at a cost.

Various projects across operations within the company have been taken up to comply with the new emission standards (for dust, SOx & NOx) issued by Ministry of Environment and Forest and Climate Change (MoEF & CC). The MoEF & CC vide notifications have stated that Ministry will empanel government institutions of national repute for carrying out compliance monitoring of Environment Clearance conditions of projects and activities.

Securing raw material for business continuity

The cement industry is not just capital intensive but highly raw material and energy intensive too, therefore dependent on natural resources – coal, limestone, water, minerals etc. To ensure business continuity, availability of these materials at a competitive cost and quality is the need of the hour. However, due to the depletion of reserves, volatile prices and rising demand, procurement of such raw materials is a challenge. Ambuja will continue to participate in upcoming auctions to secure raw materials and has already commenced operation of its own Coal Block in Q4 2018.

The Mines and Minerals Development and Regulation Act (MMDRA) notification states that the renewal and grants of mining leases and composite licenses (PL-cum-ML) will only be through auctions.

Creating healthy environment for people's interests

Continuous change in the global climate has been impacting our areas of operations too. The exact timing and severity of physical effects are difficult to estimate especially in the context of economic decision making. Climate-related risks and its expected transition to a lower-carbon economy is one area of focus.

Being a responsive organisation, Ambuja has been responding to the CDP Climate Change questionnaire since the past few years and has resolved to maintain it's leadership position in the cement sector by further improving its CDP disclosure.

The robust mechanism for capturing and reporting GHG performance as per the WBCSD CSI Ver 3.1 protocol, Ambuja has also accounted for Scope 3 emissions emanating from its operations. The company has also been responding on climate change risks, strategies and targets as an outcome of robust sustainability and carbon governance in the organization.

Transforming risks to opportunities through digitisation

Digitisation has deeply embedded in the Ambuja strategy, as most of our businesses activities have been slated for digital transformations, whether from logistics, marketing or manufacturing. The significant advantages of digitization, with respect to customer service, revenue, and cost will certainly reap benefits in the medium to long term. However, in the short term, we need to provide better monitoring and control and more effective regulatory compliance to mitigate any risks arising due to digitisation. This could be misuse of hardware and software, interference, loss, unauthorised access, modification and disclosure.

Ensuring non-disruptive transportation to consumption centres

Streamlined logistics is the biggest opportunity for improving margins via cost optimisation for cement industry. Beyond 250 km distance, the ideal mode of transportation for cement is rail as compared to road because it is environment friendly, cost efficient and faster. Availability of rakes during peak months has always been a challenge. Besides, the railways' policies (giving preference to food and power companies) has impacted the planned movement of cement to consumption centres, thereby adversely impacting production schedule and increasing the overall transportation cost.

9. Human Resources.

A structured approach to streamline functions.

The role of Human Resources has evolved in recent years. Today, it operates in complete partnership with senior leadership and business functions translating strategic priorities into action. The end result: to develop and sustain a culture where every employee is respected and valued for their good work.

The company adopted a balanced approach to talent acquisition, relying both on leveraging the skills and experience already available within the organization, while also bringing in the necessary capabilities that helped position us for long-term sustainable performance. Efforts directed towards strengthening organization's internal career mobility activities to drive greater career development and retention of employees. The year 2018 also saw campus hiring of 65 Graduate Engineer Trainees.

On leadership development, high potential senior leaders were identified for development programs at premier business schools in India like ISB - Hyderabad and SP Jain Institute of Management and Research - Mumbai. To continue efforts to build a coaching culture, a batch of 60 participants were selected for the Sustainable Talent for Enhanced Performance (STEP) III program, and are now part of this learning journey.

A structured approach towards organisation renewal was adopted to create a leaner and flat organisation that is more front-line focused and customer-oriented.

Meanwhile, exemplary work was recognised in 2018 and 540 employees from various categories of awards from across locations and functions won accolades under the Rewards and Recognition program.

10. Health and Safety

A step forward towards making our workplace safe.

Health & Safety is our Core Value and embodied in the way we run our 'We Care' programme across the length and breadth of Ambuja. Despite setbacks in terms of two fatal incidents this year, we have demonstrated our indomitable ICAN spirit by meeting our H&S challenges with determination leading to a step change in both our leading and lagging indicators. Not only have we maintained the momentum that started gathering last year but also improved in tackling frontline issues in a pragmatic way that resulted in our Total Injury Frequency Rate and Loss Time Injury Frequency Rate for the year being 32% and 38% respectively; and below the previous year performance numbers. We have also seen a 35% drop in the number of resultant injuries.

In 2018, two units (Surat and Farakka) achieved Zero Harm, and Zero Loss Time Injury was recorded at Rabriyawas Integrated plant; and six of the eight grinding units -- Surat, Farakka, Roorkee, Dadri, Nalagarh and Bhatinda; and one BCT (Mangalore).

Our H&S strategy.

We looked at initiatives with five objectives/ pillars in mind:

- onsite fatality elimination
- zero harm culture
- systems & processes
- health

We also set for ourselves micro battles on five of our most significant impact objectives such that we could follow a 'more than robust' process while executing/ implementing on ground. We also supported this plan through:

- In-depth performance monitoring on a monthly basis and real time implementation of actions from such analysis;
- Greater focus on quality of incident investigations and sharing of lessons. We also looked at consequence management in terms of both positive and negative reinforcements;
- Greater digitisation both in health and safety – 50% Health Surveillance records digitised;
- New H&S app introduced to ensure greater proliferation of H&S issues/ incident learnings;
- Campaigns/ waves on the following to ensure that units self-assess their H&S processes on a periodic basis:
- Three tier audit system wherein every unit was audited at least once by the corporate.

What we achieved

- 35% reduction in total onsite injuries in 2018 vs 2017;
- Reduction in total offsite injuries (16%) and incidents (20%);
- Behaviour Based Safety (BBS) programme was piloted at Bhatapara Integrated plant which resulted in 94 - 120% increase in visible personal commitment and safe behaviour observations;
- The In-Cab training at Ambujanagar and Darlaghat extended to 1269 drivers, recorded drop in injuries amongst our limestone vehicle drivers at Ambujanagar by 70%; and a 20% drop in number of incidents across Ambuja;
- Noise Profiling of all units and 75% units covered with a 'Protect Your Ear' programme;
- Identifying contractors of high risk activities and commencement of development of these personnel/ team starting with silo cleaning. We have received very heartening response to this effort from our contract partners.

Ambuja is committed to achieving its ambition of Zero Harm and Health & Safety continue to constitute its core values.

11. Leveraging digital technology

In 2018, digital transformation was part of the Ambuja core strategy to support business objectives like: Sustainable Growth, Customer Satisfaction, Continuous Productivity Improvement and High employee engagement. Some of the major initiatives taken are as follows:

Dealer connect

We have enabled faster reach to our channel partners/ dealers by adding various value-added features on the existing "Ambuja Dealer Connect" platform. One major feature is to provide visibility of credit and debit note to dealers. This initiative has reduced the cost of printing and courier charges significantly for Ambuja and enabled real-time visibility of reports to dealers from anytime, anywhere. This also helped dealers to submit their GST return on time and faster since the data was readily available to them online.

Mobile Apps

- **myWorld:** an app developed for Technical Service engineers, myWorld is a one-stop shop to manage leads, services, influencers, events and content. This has helped strengthen engagement with customers and contractors.

- **Estimator:** provides customized estimate to home buyers for complete construction, material and fund requirement.

- **Gruhrachna:** provides different options for Plan & Elevation, Vastu-related tips to homebuyers/ contractors.

Going ahead, the apps will be consolidated to provide one user-experience to our contractors.

Transport control tower for logistics operation

Ambuja streamlined its logistics operations by setting up the centralised TCT that uses Telematics technology to monitor logistics transport, type of driving violations, etc. This has helped improve safe Km by above 20%, through one-on-one driver coaching.

Going forward

More value added and exciting features/ benefits have been planned for our dealers and retailers. Additionally, we intend to use Artificial Intelligence to bring in various motivation levers for our sales team so that they can get readymade information on leading and lagging performance indicators which can help them perform better. Similarly, in Logistics our focus will be Paperless Proof of Delivery for our end customers and also streamline our Sales & Operations Planning process. In Manufacturing, we plan to explore the Industry 4.0 features of IoT, Drones, Sensor technology to bring in better productivity and efficiency. Similarly, in finance, we plan to bring in analytical dashboards to monitor financial performance. In HR, we plan to bring a user-friendly platform to enable our employees to learn quicker, faster and anytime, anywhere.

12. Sustainability and environment.

Maintaining consistency delivers greater results.

Training its sights to realise its vision to become the most sustainable company in the industry, Ambuja's teams have consistently strived to achieve excellence and efficiency to improve the level of sustainable performance.

2018 witnessed certain major initiatives and achievements in Sustainability development. Our system improvement, process efficiency measures and all round performance catapulted the company to achieve the 5th rank globally in the Construction Materials category in the Dow Jones Sustainability Index (DJSI) competing with some of the most sustainable companies the world over. Ambuja is the only Indian cement company to achieve such a high ranking in DJSI.

Focussing on future sustainability goals.

It is imperative to monitor progress with respect to Corporate Sustainable Development targets and goals as defined by the company's parent - LafargeHolcim. Our Sustainable development plan -- 'The Plan 2020 / 2030, Building for Tomorrow' -- has vested an inclusive approach in our project planning and management approach. The four thrust areas of Climate Change, Circular Economy, Water & Nature, as well as People & Community in our Sustainable development plan have acted as the yardstick for developing KPIs and connecting all projects with the overall business objective. The performance results of 2018 show our promising progress towards our intermediate 2020 targets in the above target areas. The company is completely committed to stepping up its efforts year after year to not only meet, but also surpass these targets.

Aligning internal goals with external is hard but necessary.

To endorse the principles of the Sustainable Development Goals (SDGs) and Corporate Citizenship, Ambuja became a member of the "Indian solutions for the world to achieve SDGs," as part of the Confederation of Indian Industries (CII) and NITI Aayog initiative. Also, Ambuja has mapped its activities against the SDGs and their indicators, which are also reported in our Sustainability reports for 2016 & 2017. This will also be covered in our forth coming SDG Report of 2018.

As part of the company's product stewardship, the year 2018 witnessed some major milestones. Ambuja developed the Environmental Product Declaration (EPDs) for the low carbon - Portland Pozzolana Cement (PPC) as well as Composite Cement produced at all Ambuja plants. These EPDs were verified by an independent third party and were also listed on the international portal 'Environdec' for stakeholder communication.

As per our assessment, not only is Ambuja water positive by more than six times in 2018, but every integrated plant and grinding unit is independently water positive. In addition, Ambuja also stepped up to compensate the plastic consumption in the supply chain and recovered about 69000 tonnes of plastic waste from the market and became two times plastic negative in the year 2018.

Over the course of the year, Ambuja focussed on encouraging circular economy usage, renewable energy and sustainable product solutions.
A total of 2.9 lakh tonnes of Alternate Fuel & Raw Material (AFR) were used that yielded a Thermal Substitution Rate (TSR) of 5.6%. About 8 million tonnes of waste derived raw-materials were used in the company's circular economy portfolio. This contributed to lowering the clinker factor to as low as 64.99%. Ambuja also made a conscious effort towards substituting its power requirements and in the process, sourced about 6.5% of total power generation through

renewable sources. As part of its sustainable and innovative product solutions, Ambuja also encouraged the production of 3.5 lakh metric tonnes of slag based, composite cement in 2018.

Sustainability reporting - Global Green Standards

In 2018, Ambuja published its 11th Sustainability Development Report on the triple bottom line performance for the year 2017. Ambuja displayed its stewardship in aligning with the latest guidelines by preparing the report in accordance with the latest Global Reporting Initiative (GRI) Standard (Comprehensive) with 'Assurance' by an independent certifying agency, as per the AA1000 assurance standard. The report was aligned to the Sustainable Development Goals (SDG) and CSI indicators as well. The Metal and Mining Sector Supplement of the GRI were also referred to while reporting the company's sustainability performance to its stakeholders. The company has been consistent in issuing the Business Responsibility Report (BRR) as part of its Annual Report since 2012. The process also entailed a detailed Materiality Review with the company's internal as well as external stakeholders. From last year the company also initiated reporting its performance against the six capitals (principles of Integrated Report) as a part of this report, and will continue its efforts to transition to a complete Integrated Report in future.

13. Corporate Social Responsibility (CSR)

Improving lives, holistically.

The company's CSR arm, the Ambuja Cement Foundation (ACF) was established over 25 years ago in 1993, at Kodinar, the first area of Ambuja's operations. Here, ACF worked with farmers in the immediate neighbourhood of our plant with the philosophy that if Ambuja prospers, so will our neighbours.

Today, ACF expanded to 30 locations spread across 11 states on issues ranging from Water Resource Development, Agricultural Livelihoods, Skill and Entrepreneurship Development, Community Health and Sanitation, Women Empowerment to Education, with projects suiting the needs of the geography and community. These programmes are implemented in partnership with different government agencies, development agencies and corporates.

Stakeholder engagement

ACF ensures all programmes across locations are based on the needs of the region and engagement of stakeholders. Systematic assessments are carried out annually using the Social Engagement Scorecard (SES) that rates CSR initiatives across locations.

Stakeholder Engagement Plan (SEP) are formulated at each unit, citing stakeholder concerns relevant to environment, CSR, mining, HR and commercial operations. Implementation and monitoring of stakeholder engagement at all plants is monitored at the corporate level by the Corporate Sustainability Steering Committee (CSSC). Site Specific Impact Assessments (SSIA) are conducted cyclically to apprehend the insights and felt needs of all stakeholders, related to human rights, labor rights, stakeholder conduct at ACL sites. Each site undergoes an assessment every three years.

Water resource management

Water Resource Development remains one of our oldest and largest thrust areas and undertakes projects for: Water Harvesting & Conservation *(check dams, interlinking rivers, watershed development, etc.)*, Drinking Water *(Roof Rain Water Harvesting Structures - RRWHS, pond deepening, in-village distribution system,* *water quality surveillance, etc.)* and Optimum Utilisation *(Water User Association, Participatory Irrigation Management (PIM), Promotion of Micro Irrigation)*. By the end of year 2018, ACF completed construction of 425 check dams, 6684 RRWHS, treated 25209 hectares for Watershed Development, which along with other projects created a cumulative water storage capacity of 54 MCM, across all locations.

As a step towards sustainability of the impact created by the programme, community institutions such as Water User Associations (WUAs), *Paani Samiti,* Village Watershed Committee (VWC) play significant roles in planning and execution of water project; and are also trained and empowered to ensure post project repair and maintenance of assets created.

Agricultural livelihoods

ACF works to boost farmers' production capacity - to make their agriculture more efficient and therefore, more profitable. The Agricultural Livelihoods program fundamentally aims to bridge the existing gap between traditional farm practices and the preferred scientific package practices. For this, ACF organizes them into learner groups, producer groups and ultimately into producer organizations. In 2018, ACF reached out to total 1,75,000 farmers through the agricultural livelihoods program.

The major projects in Agricultural Livelihoods, active across 17 locations are: Better Cotton Initiative (BCI), System of Rice Intensification (SRI), Salinity Ingress Mitigation, Organic Farming, Wadi Development, Fruit and Vegetable Cultivation, Animal Husbandry and Aquaculture. Among these projects, another important project is that of Farmer Producer Organisations (FPO), to build a collective bargaining power of farmers for procurement of inputs and marketing of produce.

Skill and entrepreneurship development institute (SEDI)

SEDIs were initiated by ACF to create suitable skill sets for rural youth, which are in accordance with the needs of the industry.

SEDI courses range across 12 sectors such as hospitality, driving, retail, automobile repair, construction, apparel making, accountancy, healthcare, etc. ACF also develops soft skills to handle the challenges at work and further supports graduates in placement and job retention. In 2018, SEDIs have leapt by 50% with 29 SEDIs across the country now; about 7800 students have graduated from the institutes this year, bringing the cumulative number of skilled youth to over 42000, with 73% of them being gainfully employed. This increasing number of centres and graduates is attributed to our growing partnerships with some lead corporates such ADOR Welding, APM Terminals, Castrol India, Cipla Foundation, Gruh Finance, Godrej Consumer Products, Schneider Electric, Tech Mahindra Foundation, AU Bank, Hindustan Zinc, etc.

Community health and sanitation

The Community Health and Sanitation program works under the thrust areas of Maternal, Child and Adolescent Health, Communicable and Non-Communicable Diseases, Total Sanitation and Curative Health.

In the year 2017, responding to the growing burden of Non-Communicable Diseases (NCD) among the rural population, ACF had rolled out a programme on Awareness and Prevention of NCD. In 2018, realising the extent and the impact of this need, the NCD programme has been expanded, reaching out to 105 villages throughout the country, with scope to expand further in 2019. Further addressing the lifecycle that leads to emergence of NCDs, ACF has also launched programmes addressing Malnutrition in 30 Anganwadis at Dadri. This programme too is designed for further expansion in 2019.

Under community health, ACF also engages with truckers who are large yet vulnerable group of Stakeholders for ACL. ACF in collaboration with Apollo Tyres Foundation runs Health Care Centres for truckers at Surat, Sankrail, Nalagarh and Farakka. In the year 2018, these centres reached out to 66455 truckers, addressing STIs, HIV, common ailments, lifestyle diseases, vision problems and overall safety behaviour.

Women empowerment

Women being the pronounced 50% of our host communities, are a special focus of all of ACF programmes.

As a part of the Women Empowerment programme, ACF has formed 2464 Self Help Groups with total 28285 members and a total corpus of ₹ 18.72 crore. At various locations these SHGs have come together to federate themselves into six Women Federations. Other projects boasting female strength are 41 female extension workers in Better Cotton Initiative, 59 PSS and 352 *Sakhis*. In 2018, 44% of the students graduating in both technical and non-technical trades from our SEDIs were females.

An important achievement in Women's empowerment is that of the ACF promoted Amrit Dhara Milk Marketing Cooperative Society Limited (ADMMCSL) at Darlaghat, which is an all women run FPC working on a model which addresses the problems related to animal husbandry, right from animal care, veterinary services, to milk collection and marketing.

Education - The only thing our special needs children lacked were opportunities.

Ambuja Manovikas Kendra (AMK) is special facility for intellectually challenged children in Ropar, Punjab and the centre has earned a reputation of being one of the best schools for special children in the vicinity. This school is being currently attended by 93 students and also has 13 under home based rehabilitation. A step further into rehabilitation of the Specially Abled students, AMK initiated a Skill Development Centre in 2017, in partnership with Cipla Foundation. The centre provides training in Bakery, Pottery and Artificial Jewellery making.

ACF has also been working with 118 government schools to support them infrastructure, strengthening School Management Committees, providing e-learning and other Teaching Learning Methodologies. In 2018, ACF in partnership with CII Foundation initiated Make India Play project in 10 schools in Darlaghat. The project aims to bring the zest of organised play among school students in rural India.

Measuring the social impact

While we energise our communities through our CSR work, with time we have realised the worth of measuring the impact of our work. Not only does it help us review and improve on our work incrementally, it helps us recognize models that work best and can be scaled and replicated cost efficiently. The CSR projects have been contributing into ACL's True Value measurement, helping the company comprehend its performance in the sustainability parameters.

The measured impacts of our CSR work has helped us improve our score on the Dow Jones Sustainability Index, taking Ambuja's rank to 5, among the all construction materials companies globally. In addition, The Institute of Company Secretaries of India (ICSI) has also conferred us with the Best Company for CSR Excellence Award under large corporates and Asia Centre for Corporate Governance & Sustainability presented us the 'Best CSR & Sustainability Practices Award', both benchmarks not only CSR work, but also our implementation processes and governance to be excellent.

Annual report on CSR activities and expenditure

The annual report on CSR activities and expenditure as required under Section 134 and 135 of the Companies Act 2013 read with

Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and Rule 9 of the Companies (Accounts) Rules 2014 is given as **Annexure II** to this Report.

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

Extract of Annual Return.

The details forming part of the extract of the annual return in Form MGT-9 is provided as **Annexure III** of this Report.

Number of Board Meetings.

The Board of Directors met 7 (seven) times in the year 2018. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of this Report.

Composition of Audit Committee.

The Board has constituted the Audit Committee which comprises of Mr. Rajendra Chitale as the Chairman and Mr. Nasser Munjee, Dr. Omkar Goswami and Mr. Martin Kriegner as members. More details on the committee are given in the Corporate Governance Report.

Related Party Transactions.

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the company has formulated a Policy on Related Party Transactions which is also available on the website of the company at https://www.ambujacement.com/Upload/PDF/policy_on_determining_materiality_of_rpt_28_oct_2015_revised.pdf

All the related party transactions are entered on an arm's length basis in the ordinary course of business and adheres to the applicable provisions of the Act and the Listing Regulations. There are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have a potential conflict with the interest of the company at large or which warrants the approval of the shareholders. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained before the commencement of the new financial year, for the transactions which are repetitive in nature and also for the transactions which are not foreseen (subject to financial limit). A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The statement is supported by the certification from the MD & CEO and the CFO. All related party transactions are subject to half-yearly independent review by a reputed accounting firm to establish compliance with the requirements of Arms' Length Pricing.

In accordance to Section 134(3)(h) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules 2014, the particulars of the material contract or arrangement entered into by the company with related parties referred to in Section 188(1) in Form AOC-2 is attached as **Annexure IV** of this Report.

Renewal of Agreement for Payment of Technology & Know-how fees to Holcim Technology Ltd.

The Members at the previous Annual General Meeting passed an Ordinary Resolution approving the renewal of Agreement for payment of Technology & Know-how fees to Holcim Technology Ltd. (a Related Party) for a further period of 3 years w.e.f. 1st January, 2018 on the same terms & conditions as that of the previous Agreement, including the payment of fee @1% of the net sales of the Company. Since the resolution was proposed as Related Party Transaction, all the related parties abstained from voting. Further, the Competent Authorities of India and Switzerland under the Bilateral Advance Pricing Agreement (BAPA) has confirmed the Arm's Length rate for payment under the said TKH Agreement @1% of net sales.

Policy on Sexual Harassment of Women at Workplace.

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

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

15. Corporate Governance

The company has complied with the corporate governance requirements under the Companies Act, 2013 as stipulated under the Listing Regulations. A separate section on corporate governance along with a certificate from the statutory auditors confirming compliance is annexed and forms part of this report.

16. Internal audits and controls

To keep things under control

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. It has established internal control mechanisms commensurate with the size and complexity of its business. A strong Internal Control framework is established through right tone at the top for good corporate governance which serves as a foundation for excellence and the same is embedded in operations through its policies and procedures. Employees of the Company are guided by the Company's 'Code of Conduct'.

The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013 and has covered all major processes commensurate with the size of business operations. These have been established at the entity & process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording & reporting of financial & operational information. The Company has reviewed and sustained internal financial controls by adopting a systematic approach to evaluate, control design and operating effectiveness.

As the first line of defence, primary responsibility for design & establishment of internal controls and its operating effectiveness lies with the management in their respective areas of operation. Internal control frameworks and procedures documented in the form of Internal Controls Manuals, Standard

Operating Procedures, Accounting Guidelines including regular management reporting and monitoring thereof. Policies and procedures are reviewed periodically for any changes required, to changing business needs as well as improvements in processes to strengthen the internal control systems. Authorisation Matrices for financial transactions are derived based on Board decisions.

Over the years, the formal and independent evaluation of internal controls is conducted for the effective compliance of Section 138 of the Companies Act 2013 and relevant statutes applicable to the LafargeHolcim group.

To ensure that controls work as designed

The company has a strong and independent in-house Internal Audit (IA) department that functionally reports to the Chairman of the Audit Committee, thereby maintaining its objectivity. Remediation of deficiencies by the IA department has resulted in a robust framework for internal controls.

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the IA function reports directly to the Chairman of the Audit Committee. The IA team develops risk-based annual internal audit plan which is approved by the Audit Committee. In addition Audit Committee also reviews compliance to the IA plan. The IA team monitors and evaluates the efficacy and adequacy of internal control systems, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls, mitigate risk. The IA department provides independent assurance to the Audit Committee, the Board, the senior management and the regulators regarding the effectiveness of the company's governance & controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting. Recommendations of Internal Audit are mainly focused on Process Design, Process Compliance, Process Improvement and Statutory compliance. It mainly focus on mitigating existing risk and identifying improvement opportunity.

17. Managing the risks of fraud, corruption and unethical business practices.

Vigil mechanism / Whistle blower policy – protecting those who speak up, by listening.

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

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

More details on this Policy are given in the Corporate Governance Report, which forms part of this Report. The Ethical View Reporting Policy is available on the company website: www.ambujacement.com

Code of conduct

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

ANTI-BRIBERY AND CORRUPTION DIRECTIVES (ABCD)

We're only intolerant to corruption.

In furtherance to the company's philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down 'ABC Directives' as part of the company's Code of Business Conduct and Ethics. As a company, Ambuja has zero-tolerance to bribery and corruption and is committed to act professionally and fairly in all its business dealings. To spread awareness about the company's commitment to conduct business professionally, fairly and free from bribery and corruption and as part of continuous education to the employees on 'ABC Directives', mandatory online training & testing through a web-based application tool was conducted for approximately 3000 relevant employees. The above policies and its implementation are closely monitored by the Audit and Compliance Committees of Directors and periodically reviewed by the Board.

18. Board of Directors and key managerial personnel.

Cessation.

Mr. Ajay Kapur (DIN 03096416) MD & CEO, after an illustrious career of 26 years with the Company, decided to pursue his career outside the cement industry and accordingly resigned from the Board w.e.f. 1st March, 2019. His five year term as MD & CEO was to expire on 24th April, 2019.

Mrs. Usha Sangwan (DIN 07238383), Director (representing Life Insurance Corporation of India) resigned from the Board w.e.f. 21st December, 2018.

Mr. Haigreve Khaitan (DIN 00005290), who was appointed as an Independent Director and who holds office upto 31st March, 2019 has conveyed that he does not intend to seek re-appointment for the second term due to personal commitment and will ceased to be a Director upon completion of his current term.

Mr. B.L. Taparia (DIN 00016551) will retire by rotation at the ensuing Annual General Meeting of the Company in accordance with the provisions of Section 152 and Article 147 of the Articles of Association of the company. Mr. Taparia, who is eligible for re-appointment, has conveyed that he does not intend to seek re-appointment and will retire upon completion of his current term at the ensuing Annual General Meeting.

The Board placed on record its appreciation for the valuable services rendered by Mr. Ajay Kapur, Mrs. Usha Sangwan, Mr. Haigreve Khaitan and Mr. B.L. Taparia.

Retirement by rotation.

Mr. Jan Jenisch (DIN 07957196) and Mr. Roland Kohler (DIN 08069722) will retire by rotation at the ensuing Annual General Meeting of the company and being eligible, have offered themselves for re-appointment.

The Board recommends their re-appointment.

APPOINTMENT.

Mr. Nasser Munjee (DIN: 00010180), Mr. Rajendra Chitale (DIN: 00015986), Mr. Shailesh Haribhakti (DIN: 0007347) and Dr. Omkar Goswami (DIN: 00004258) as Independent Directors

Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 for the first term of 5 years and will hold office upto 31st March, 2019. Considering their knowledge, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from 1st April, 2019 upto 31st March, 2024 and not liable to retire by rotation. The Company has received declaration from all these Directors that they continue to fulfil the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the Listing Regulations (including statutory re-enactment thereof for the time being in force).

In terms of the provisions of Section 160(1) of the Companies Act, 2013, the Company has received a Notice from a Member signifying his intention to propose the candidature for the re-appointment of Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami for the office of Independent Directors not liable to retire by rotation.

Ms. Then Hwee Tan (DIN 08354724)

Ms. Then Hwee Tan has been appointed as an Additional Director w.e.f. 18th February, 2019. As Additional Director, Ms. Then Hwee Tan shall hold the office up to the date of the ensuing Annual General Meeting and being eligible, has offered herself to be appointed as a Director liable to retire by rotation. The Company has received a notice from a Member under Section 160 (1) signifying his intention to propose the candidature of Ms. Then Hwee Tan for the office of Director.

The Nomination Committee and the Board of Directors recommends her appointment.

Mr. Mahendra Kumar Sharma (DIN 00327684) and Mr. Ranjit Sahani (DIN 00103845)

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Mahendra Kumar Sharma and Mr. Ranjit Sahani are proposed to be appointed as a Non Independent Directors (representing LafargeHolcim Group) liable to retire by rotation w.e.f. 1st April, 2019.

In terms of the provisions of Section 160(1) of the Companies Act, 2013, the Company has received a Notice from a Member signifying his intention to propose the candidature for the appointment of Mr. Mahendra Kumar Sharma and Mr. Ranjit Shahani as Directors liable to retire by rotation.

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

Ms. Shikha Sharma (DIN 00043265)

The Nomination and Remuneration Committee and the Board after evaluating the profiles of suitable Women candidates have shortlisted Ms. Shikha Sharma to be appointed as a Women Independent Director on the Board. The Company has received a notice from a Member signifying his intention to propose the candidature of Ms. Sharma for the office of Independent Director.

The Company has also received declaration from her that she fulfil the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the Listing Regulations (including statutory re-enactment thereof for the time being in force).

If appointed as an Independent Director, Ms. Shikha Sharma shall hold office w.e.f. 1st April, 2019 for a period of five years and shall not be liable to retire by rotation.

The Nomination Committee and the Board of Directors recommends her appointment. The appointment of Ms. Sharma on the Board will also fulfil the requirement of the amended Listing Regulations, which requires top 500 Listed Companies by market capitalization to have a Woman Independent Director by 1st April, 2019.

Mr. Praveen Kumar Molri (DIN 07810173)

Consequent to the stepping down of Mrs. Usha Sangwan from the Board, Life Insurance Corporation of India (LIC) has nominated Mr. Praveen Kumar Molri as their representative on the Company's Board. In terms of Section 160(1) of the Companies Act, 2013, the Company has received a notice from a Member signifying his intention to propose the candidature of Mr. Molri as a Director, liable to retire by rotation.

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

Mr. Bimlendra Jha (DIN 02170280)

Mr. Bimlendra Jha has been appointed as an Additional Director w.e.f. 18th February, 2019 and as a Managing Director & CEO for a period of five years w.e.f. 1st March, 2019.

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

Attributes, qualifications & independence of Directors and their appointment.

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

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

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

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

Independent Directors declaration.

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act 2013 and provisions of the Listing Regulations, stating that they meet the criteria of independence as provided therein. The profile of the Independent Directors forms part of the Corporate Governance Report.

Evaluation of the Board's performance.

As per provisions of the Companies Act 2013 and Regulation 17(10) of the Listing Regulations, the evaluation process for the performance of the Board, its committees and individual Directors for the year 2018 was carried out. For this purpose an external consultant was engaged to review the existing evaluation process. The external consultant, after detailed review, found the review process to be satisfactory. However, they had suggested re-organization of the evaluation templates and the rating matrix coupled with the inclusion of new evaluation criteria in line with the guidelines under the Listing Regulations and Secretarial Standards.

With a view to maintain high level of confidentiality and ease of doing evaluation, this years' exercise was carried out online using secured web based application. Each Board member submitted a detailed evaluation form online on the functioning and overall level of engagement of the Board and its committees on parameters such as composition, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting, independence of judgement, decision making, management actions etc.

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

The Independent Directors met on 11th December 2018 to review the performance evaluation of Non–Independent Directors and the entire Board of Directors including the Chairman, while considering the views of the Executive and Non-Executive Directors.

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

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

Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have also agreed on various action points which will be implemented during the year 2019.

Remuneration policy.

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

Induction and familiarisation programme for Directors.

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

Key managerial personnel.

The MD & CEO, the CFO and the Company Secretary are the Key Managerial Personnel of the company. As mentioned elsewhere in this report. Mr. Bimlendra Jha is appointed as the MD & CEO in place of Mr. Ajay Kapur. There was no change in the CFO and the Company Secretary during the year under review.

19. Directors' responsibility.

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

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

ii) they have selected such accounting policies, judgments and estimates that are reasonable and prudent and have applied them consistently to give a true and fair view of the state of affairs of the company as on 31st December 2018, and of the statement of Profit and Loss and cash flow of the company for the period ended 31st December 2018.

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on an ongoing concern basis

v) proper internal financial controls to be followed by the company have been laid down and that such internal financial controls are adequate and were operating effectively and

iv) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and are operating effectively.

20. Auditors & Auditors' Report.

Statutory Audit.

At the 34th Annual General Meeting held on 31st March 2017, the shareholders had approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting, subject to ratification by the shareholders every year. Pursuant to the recent amendment to Section 139 of the Companies Act, 2013 effective 7th May, 2018, ratification by Shareholders every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment. M/s. Deloitte Haskins & Sells LLP has furnished a certificate of their eligibility and consent under section 139 and 141 of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the company for the financial year 2019. In terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Auditors' Report for financial year 2018 on the financial statement of the company forms part of this Annual Report.

Explanations or comments by the Board on "emphasis of matters" made by the statutory auditors in their report includes Order passed by the Competition Commission of India in two matters, which dealt in more detailed in the full Annual Report.

Cost Audit.

Pursuant to section 148 of the Companies Act 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. P. M. Nanabhoy Co. Cost Accountants (ICWAI Firm Registration No.000012) as the Cost Auditors of the company for the Financial Year 2019 and has recommended their remuneration to the Shareholders for their ratification at the ensuing Annual General Meeting. M/s P.M. Nanabhoy Co. have given their consent to act as Cost Auditors and confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013. They have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the company. Pursuant to Companies (Cost Records and Audit) Rules, 2014, the Cost Audit Report for the financial year 2017 was filed with the Ministry of Corporate Affairs on 29.06.2018 vide SRN: G91152223.

Secretarial Audit.

The Board had appointed Mr. Himanshu S. Kamdar (CP No.3030), Partner of M/s. Rathi & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the fiscal year 2019.

The company has received consent from Mr. Himanshu S. Kamdar of M/s. Rathi & Associates to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st December 2019. The report of the Secretarial Auditor for financial year 2018 is annexed as **Annexure VI** of this Report. The report does not contain any qualification, reservation and adverse remarks.

Reporting of fraud.

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

21. Compliance with secretarial standards on Board and Annual General Meetings.

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

22. Significant material orders passed by the courts or regulators.

Order Passed by the National Company Law Appellate Tribunal (NCLAT) in the matter of penalty levied by the Competition Commission of India (CCI).

i) Appeal filed by the Company against the Order of the CCI for levying penalty of ₹ 1163.91 crores on the Company was heard and dismissed by the NCLAT and CCI's Order was upheld. Further, the Company has challenged the judgment passed by NCLAT before the Hon'ble Supreme Court. The Hon'ble Supreme Court has admitted the Company's Appeal and ordered for the continuation of interim order passed by the Tribunal.

ii) Pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI vide its Order dated 19th January, 2017 has imposed a penalty of ₹ 29.84 crores on the Company. The Company filed an Appeal before the Competition Appellate Tribunal (COMPAT) and obtained an interim stay the operation of the said Order. Further, by virtue of Government of India notification, all cases pending before the COMPAT were transferred to the NCLAT and as such, the hearing on the Appeal is underway at the NCLAT.

Other than the aforesaid, there have been no significant and material orders passed by the courts or regulators or tribunals impacting the ongoing concern status and company's operations. However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the Financial Statements.

23. Particulars of loans, guarantees or investments.

Particulars of loans, guarantees given and investments made during the year, as required under Section 186 of the Companies Act 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations 2015, are provided in Notes 9, 11, 16, 45, 46 of the Standalone Financial Statements.

Treasury operations.

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

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

24. Transfer of unclaimed dividend and unclaimed shares.

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

25. Energy, technology and foreign exchange.

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

26. Particulars of employees.

There were 5058 permanent employees of the company as of 31st December 2018. The disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are annexed to this report at **Annexure VIII**.

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

27. Direct subsidiaries, joint ventures and joint operations.

As of 31st December 2018, the company has 6 direct subsidiaries, 1 joint venture and 1 joint operation.

The Policy for determining Material Subsidiaries adopted by the Board pursuant to Regulation 16 of the Listing Regulations, can be accessed on the company's website at:www.ambujacement.com/investors

28. Corporate Governance.

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

29. Consolidated financial statements.

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

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

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

The consolidated net profit of the company amounted to ₹ 2,177.40 crore for 2018 as compared to ₹ 1516.36 crores for 2017.

30. Business Responsibility Reporting

The Business Responsibility Report of the Company for the year ended 31st December, 2018, is made available on the website of the Company at and forms part of this Report.

31. Equal opportunity employer

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

32. Other disclosure.

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

- Details relating to deposits that are covered under Chapter V of the Act.
- The issue of equity shares with differential rights as to dividend, voting or otherwise.
- The issue of shares to the employees of the company under any scheme (sweat equity or stock options).
- There is no change in the Share Capital Structure during the year under review.
- The company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees.
- Neither the Managing Director nor the whole-time Directors of the company receive any remuneration or commission from any of its subsidiaries.
- No material fraud has been reported by the Auditors to the Audit Committee or the Board.
- There was no revision in the financial statements.

There was no change in the nature of business.

33. Caution statement.

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

34. Acknowledgements.

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

For and on behalf of the Board
of Ambuja Cements Limited

N. S. Sekhsaria
Chairman & Principal Founder

Mumbai
18th February, 2019

Dividend Distribution Policy

This Policy is called Ambuja Cements Limited – Dividend Distribution Policy" (hereinafter referred to as "the Policy"). The Policy is framed pursuant to Regulation 43A of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 for the time being in force. The Policy shall come into effect from the receipt of the Board's approval (Effective Date).

The Policy lays down the broad criteria which the Company would take into consideration for the purpose of ascertaining the amount of dividend to be declared keeping in mind the need to maintain a balance between the payout ratio and retained earnings, in order to address future needs of the Company. The policy serves as a guideline for the Board of Directors and the decision of the Board of Directors with respect to the amount of dividend declared for any given period will be final and shall not be open to challenge by any person on the basis of the Policy.

Dividend would continue to be declared on per share basis on the Equity Shares of the Company having face value ₹ 2/- each. The Company currently has issued only equity shares. Dividend other than interim dividend shall be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board of Directors has the authority to declare interim dividend.

Subject to the provisions of the applicable law, the Company's dividend payout will be determined based on available financial resources, growth / investment requirements and fair shareholder return. The Company will broadly take into consideration the following financial parameters and / or internal and external factors to determine whether or not to declare dividend or to determine the quantum of dividend to be declared.

<u>Internal Factors</u>

- Profits earned during the financial year and the retained profits of the previous years in accordance with the provisions of Section 123 and other applicable provisions of the Companies Act 2013 read with rules framed thereunder;
- Cash flow position of the company and the debt : equity ratio;
- Projections with regard to the performance of the Company;
- Fund requirement to finance Capital Expenditure;
- Fund requirement to finance any organic / inorganic growth opportunities or to finance working capital needs of the company;
- Opportunities for investment of the funds of the Company to capture future growth and current and future leverage;
- Dividend payout history.

<u>External Factors :</u>

- Business cycles and long term/ short term Industry outlook;
- Cost of external financing,
- Changes in the Government policies, rate of inflation and taxes structure etc.
- Quantum of dividend payout by other comparable concerns etc;

The Company may recommend additional special dividend in special circumstances.

In the event of a loss or inadequacy of profits in a given year, the Company may, taking into consideration the shareholder expectations, past dividend payout history etc. declare payment of some dividend out of its reserves as may be permitted by the law.

Likewise, in the event of challenging circumstances such as adverse economic cycles and industry projections, the performance of the Company in the coming years, pressure on cash flow on account of various factors such as higher working capital requirements, etc., the Company may, decide not to declare a dividend even when in a given year, the Company had generated adequate profits.

In case it is proposed not to declare dividend during any financial year, the grounds thereof and the information on the manner in which the retained profits of the company, if any, are being utilized shall be disclosed to the Members in the Board's Report forming part of the Annual Report of the Company for the given financial year.

The MD & CEO and the Chief Financial Officer, considering various internal and external factors and the overall performance of the company, shall jointly make a recommendation to the Board of Directors with regard to whether or not to declare a dividend and in case a dividend is recommended, the quantum of dividend to be declared.

The retained earnings of the Company may be used in any of the following ways:

- Capital expenditure, and for the purpose of any organic and/ or inorganic growth,
- Declaration of dividend,
- Issue of Bonus shares or buy back of shares,
- Other permissible usage as per the Companies Act, 2013.

The policy may be modified as may, in the opinion of the Board of Directors be deemed necessary.

The Policy will be available on the Company's website: www.ambujacement.com and will also be disclosed in the Company's Annual Report.

Annual Report on Corporate Social Responsibility

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

1	Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs	"Ambuja Cements Ltd. (ACL) conducts its CSR Programs through its social development arm, Ambuja Cement Foundation (ACF). ACF was envisioned in 1993 to create self-empowered communities. Since the last 25 years, ACF has been working mainly with communities around ACL's manufacturing sites,across twenty two locations in twelve states. ACF's approach is to energise,involve and enable communities to realise their true potential and be self sustaining. The key identified programe areas of ACF are Natural Resource Management (Land and Water Resource Management), Livelihood Promotion (Agro Based Livelihoods and Skill and Entrepreneurship Development),Human Development (Community Health and Sanitation,Education and Women Empowerment) and Rural Infrastructure Development. For further details about the above listed programs,please refer to www.ambujacementfoundation.org. ACL's CSR policy is available on Company's website https://www.ambujacement.com/Upload/PDF/csr-policy-12-12-2018.pdf
2	Composition of CSR & Sustainability Committee	Mr. Narotam Sekhsaria, Chairman Mr. Nasser Munjee, Independent Director Mr. Rajendra Chitale, Independent Director Mr. Martin Kriegner Mr. B.L.Taparia Mr. Ajay Kapur Ms. Pearl Tiwari, Permanent Invitee, Head of Ambuja Cement Foundation
3	Average net profit of the company for last three financial years	₹1273.02 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹25.46 Crores
5	Actual amount spend on CSR during the financial year	₹53.46 Crores. i.e. 4.2% of the Average Net Profit of the last 3 years.

(₹ In Crores)

6	Expenditure Statement for the year 2018 as per Schedule VII of the Companies Act, 2013						
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount Spent on Programs / Projects	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
a	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Drinking Water, Agro based Livelihood,Animal Husbandry, Health, Sanitation	**1. Andhra Pradesh** A) Nadikudi - District Guntur **2. Chattisgarh** A) Bhatapara - District Baloda B) Raigarh **3. Gujarat** A) Kodinar - District Gir Somnath B) Gandhinagar - District Gandhinagar C) Sanand - District Ahmedabad D) Choryashi - District Surat **4. Himachal Pradesh** A) Darlaghat - District Solan B) Nalagarh - District Solan **5. Madhya Pradesh** A) Amarwara - District Chhindwara **6. Maharshtra** A) Korpana - District Chandrapur B) Panvel - District Raigad **7. Punjab** A) Bathinda - District Bathinda B) Daburjee - District Rupnagar **8. Rajasthan** A) Marawar Mundwa - District Nagur B) Rabriyawas - District Pali **9. Uttarakhand** A) Roorkee - District Haridwar **10. Uttar Pradesh** A) Dadri - District Gautam Budhnagar **11. West Bengal** A) Farakka - District Murshidabad B) Sankrail - District Howarh"	16.81	18.62	18.62	Through Ambuja Cement Foundation and Through Ambuja Hospital Trust
b	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Ambuja Manovikas Kendra, Skill And Entrepreneurship Development Institute (SEDI),Non Formal Education, Village Knowledge Center		14.93	14.36	14.36	Through Ambuja Cement Foundation & Ambuja Vidya Niketan
c	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups	Women Empowerment, Female Feticide, Women Self Help Groups Federation		2.83	1.67	1.67	Through Ambuja Cement Foundation
d	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Non Conventional, Biogas, Solar, Plantation, Water Resources, Watershed		8.58	7.28	7.28	Through Ambuja Cement Foundation
e	Rural development projects.	Rural Infrastructure Project		10.05	9.64	9.64	Through Ambuja Cement Foundation

6	Expenditure Statement for the year 2018 as per Schedule VII of the Companies Act, 2013						
Sr. No.	**CSR Project or activity identified**	**Sector in which the Project is covered**	**Projects or programmes (1) Local areas (2) State and district where projects or programs was undertaken**	**Amount outlay (Budget) project or programs wise**	**Amount Spent on Programs / Projects**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through Implementing Agency**
f	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Sports	-		0.26	0.26	Through Ambuja Cement Foundation
g	Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	Contribution to Prime Minister's National Relief Fund	-	-	0.29	0.29	Directly
		Total		**53.20**	**52.12**	**52.12**	
	Overheads	Overheads		1.34	1.34	1.34	
	Cumulative expenditure up to the reporting period			**54.54**	**53.46**	**53.46**	
7	Responsibility Statement of the CSR Committee	The CSR & Sustainability Committee affirms that the implementation and monitoring of CSR Policy is in compliance with CSR Policy and Objectives of the Company.					

On behalf of the CSR Committee

Sd/-	Sd/-
N.S.Sekhsaria	**Ajay Kapur**
CHAIRMAN -CSR COMMITTEE	MANAGING DIRECTOR & CEO
(DIN NO. 00276351)	(DIN NO. 03096416)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st December 2018

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Holderind Investments Limited Holcim Group Support (Zurich) Ltd. Hagenholzstrasse 85, CH/8050, Zurich, Switzerland	Foreign Company	Holding	63.11	2(46)
2.	M.G.T Cements Private Limited P.O.Ambujanagar, Tal: Kodinar, Dist: Gir Somnath, Gujarat / 362715	U26943GJ1990PTC061530	Subsidiary	100	2(87)

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
3.	Chemical Limes Mundwa Private Limited P.O.Ambujanagar, Tal: Kodinar, Dist: Gir Somnath, Gujarat / 362715	U14107GJ2007PTC061529	Subsidiary	100	2(87)
4.	Dang Cement Industries Private Limited House No. 70, Nalma Marg, Handigaon, Ward No. 5, Kathmandu, Nepal	Foreign Company	Subsidiary	91.63	2(87)
5.	Dirk India Private Limited Plot no. 10, India House, Gitanjali Colony, Indira Nagar, Mumbai Agra Road, Nashik 422009	U40102MH2000PTC126812	Subsidiary	100	2(87)
6.	ACC Limited Cement House, 121 Maharshi Karve Road, Mumbai / 400020	L26940MH1936PLC002515	Subsidiary	50.05	2(87)
7.	Counto Microfine Products Private Limited 2nd Floor, Velho Building, Opp. Muncipal Garden, Panaji, Goa 403001.	U70200GA1996PTC002240	Joint Venture	50	2(6)
8.	Wardha Vaalley Coal Field Private Limited A/23, New Office Complex, Defence Colony, New Delhi 110024	U10300DL2010PTC197802	Joint Venture	27.27	2(6)
9.	OneIndia BSC Private Limited No/003, 'A', Garden Floor, 'The Estate', No/121, Dickenson Road, Bangalore, Karnataka / 560042	U74900KA2015PTC082264	Subsidiary	50	2(87)

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

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

i. Category/wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian	-	-	-	-	-	-	-	-	-
2. Foreign									
Bodies Corporate	1253156361	-	1253156361	63.11	1253156361	-	1253156361	63.11	0
Total Shareholding of Promoters & Promoter Group (A)	**1253156361**	**-**	**1253156361**	**63.11**	**1253156361**	**-**	**1253156361**	**63.11**	**0**

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
B.	**Public Shareholding**									
1.	**Institutions**									
	Mutual Funds / UTI	75199557	95055	75294612	3.79	100080537	91485	100172022	5.04	1.25
	Banks/FI	30196829	9708	30206537	1.52	34634794	9708	34644502	1.74	0.22
	Central Govt.	2756344	0	2756344	0.14	2899483	0	2899483	0.15	0.01
	Insurance Co.	130932579	13500	130946079	6.59	96669396	13500	96682896	4.87	(1.72)
	FII's	2111772	62775	2174547	0.11	310794	62775	373569	0.02	(0.09)
	Others/ Foregin Portfolio Corp.	337326248	0	337326248	16.99	336317420	0	336317420	16.94	(0.05)
Sub / Total B (1)		**578523329**	**181038**	**578704367**	**29.14**	**570912424**	**177468**	**571089892**	**28.76**	**(0.38)**
2.	**Non/Institution**									
a.	Body Corp.	25774677	30000	25804677	1.30	30331298	0	30331298	1.53	0.23
b.	**Individuals**									
i.	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	69153709	11810382	80964091	4.08	72351769	10570362	82922131	4.18	0.10
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8118370	325710	8444080	0.43	7905548	325710	8231258	0.41	(0.02)
c.	**Others**									
i.	Non Resident Indians (Repatriation)	5358163	4013922	9372085	0.47	5431984	3718335	9150319	0.46	(0.01)
ii.	Non Resident Indians (Non/ Repatatriation)	1913038	127648	2040686	0.10	2065672	121310	2186982	0.11	0.01
iii.	Foreign Nationals	3850	0	3850	0.00	6100	0	6100	0.00	0
iv.	OCB	3750	9140	12890	0.00	3750	9120	12870	0.00	0
v.	Trust	12425192	0	12425192	0.63	17100817	0	17100817	0.86	0.23
vi.	Foreign Company	709717	0	709717	0.03	581459	0	581459	0.03	0
vii	NBFCs registered with RBI	0	0	0	0	26779	0	26779	0.00	0
viii.	QIB	0	0	0	0	35	0	35	0.00	0
Sub/Total B (2)		**123460466**	**16316802**	**139777268**	**7.04**	**135805211**	**14744837**	**150550048**	**7.58**	**0.54**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding B - (B1 + B2)	**701983795**	**16497840**	**718481635**	**36.18**	**706717635**	**14922305**	**721639940**	**36.34**	**0.16**
Total (A) + (B)	**1955140156**	**16497840**	**1971637996**	**99.29**	**1959873996**	**14922305**	**1974796301**	**99.45**	**0.16**
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	13995233	12000	14007233	0.71	10836928	12000	10848928	0.55	(0.16)
Grand Total (A+B+C)	**1969135389**	**16509840**	**1985645229**	**100.00**	**1970710924**	**14934305**	**1985645229**	**100.00**	

ii. Shareholding of the Promoters:

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

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

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

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1.	**LIFE INSURANCE CORPORATION OF INDIA**	130942329	6.59	01/01/2018			130942329	6.59
				03/03/2018	272895	TRANSFER	131215224	6.61
				09/03/2018	27004	TRANSFER	131242228	6.61
				01/06/2018	-1840198	TRANSFER	129402030	6.52
				08/06/2018	-1154887	TRANSFER	128247143	6.46
				15/06/2018	-6608273	TRANSFER	121638870	6.13
				22/06/2018	-836399	TRANSFER	120802471	6.08
				30/06/2018	-4390675	TRANSFER	116411796	5.86
				06/07/2018	-5495348	TRANSFER	110916448	5.59

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				13/07/2018	-4639323	TRANSFER	106277125	5.35
				20/07/2018	-1013570	TRANSFER	105263555	5.30
				27/07/2018	-6845744	TRANSFER	98417811	4.96
				03/08/2018	1131615	TRANSFER	97286196	4.90
				10/08/2018	-107800	TRANSFER	97178396	4.89
				24/08/2018	-105000	TRANSFER	97073396	4.89
				31/08/2018	-149317	TRANSFER	96924079	4.88
				07/09/2018	-60000	TRANSFER	96864079	4.88
				14/12/2018	-30022	TRANSFER	96834057	4.88
				21/12/2018	-71561	TRANSFER	96762496	4.87
				28/12/2018	-63350	TRANSFER	96699146	4.87
		Total as on 31.12.2018					**96699146**	**4.87**
2.	**GOVERNMENT OF SINGAPORE**	22527819	1.13	01/01/2018			22527819	1.13
				05/01/2018	212783	TRANSFER	22740602	1.47
				19/01/2018	171826	TRANSFER	22912428	1.48
				26/01/2018	166871	TRANSFER	23079299	1.49
				02/02/2018	127712	TRANSFER	23207011	1.50
				09/02/2018	-917067	TRANSFER	22289944	1.44
				23/02/2018	936742	TRANSFER	23226686	1.50
				02/03/2018	-215395	TRANSFER	23011291	1.48
				09/03/2018	-174709	TRANSFER	22836582	1.47
				31/03/2018	208670	TRANSFER	23045252	1.48
				06/04/2018	722480	TRANSFER	23767732	1.53
				20/04/2018	-92434	TRANSFER	23675298	1.53
				27/04/2018	-3622	TRANSFER	23671676	1.53
				04/05/2018	235754	TRANSFER	23907430	1.54
				18/05/2018	-16253	TRANSFER	23891177	1.54
				25/05/2018	-3751	TRANSFER	23887426	1.54
				01/06/2018	158066	TRANSFER	24045492	1.55
				08/06/2018	329296	TRANSFER	24374788	1.57
				15/06/2018	230598	TRANSFER	24605386	1.59
				22/06/2018	59846	TRANSFER	24665232	1.59
				30/06/2018	1203323	TRANSFER	25868555	1.67
				20/07/2018	65402	TRANSFER	25933957	1.67
				27/07/2018	3137195	TRANSFER	29071152	1.87
				03/08/2018	3715685	TRANSFER	32786837	2.11
				10/08/2018	405846	TRANSFER	33192683	1.67

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				24/08/2018	152713	TRANSFER	33345396	1.68
				31/08/2018	409406	TRANSFER	33754802	1.70
				07/09/2018	-1626800	TRANSFER	32128002	1.62
				14/09/2018	-1408615	TRANSFER	30719387	1.55
				21/09/2018	117968	TRANSFER	30837355	1.55
				29/09/2018	287117	TRANSFER	31124472	1.57
				05/10/2018	-854746	TRANSFER	30269726	1.52
				12/10/2018	-8335	TRANSFER	30261391	1.52
				19/10/2018	48890	TRANSFER	30310281	1.53
				26/10/2018	-771604	TRANSFER	29538677	1.49
				02/11/2018	19987	TRANSFER	29558664	1.49
				09/11/2018	900684	TRANSFER	30459348	1.53
				16/11/2018	937283	TRANSFER	31396631	1.58
				23/11/2018	596644	TRANSFER	31993275	1.61
				30/11/2018	-69521	TRANSFER	31923754	1.61
				07/12/2018	-5821	TRANSFER	31917933	1.61
				14/12/2018	18935	TRANSFER	31936868	1.61
				21/12/2018	96769	TRANSFER	32033637	1.61
				28/12/2018	-5097	TRANSFER	32028540	1.61
		Total as on 31.12.2018					**32028540**	**1.61**
3.	**ABU DHABI INVESTMENT AUTHORITY / JHELUM**	14265319	0.72	01/01/2018			14265319	0.72
				26/01/2018	-473000	TRANSFER	13792319	0.69
				02/02/2018	-27000	TRANSFER	13765319	0.69
				09/02/2018	-382179	TRANSFER	13383140	0.67
				02/03/2018	-58327	TRANSFER	13324813	0.67
				23/03/2018	-12405	TRANSFER	13312408	0.67
				06/04/2018	28264	TRANSFER	13340672	0.67
				11/05/2018	-5077	TRANSFER	13335595	0.67
				01/06/2018	-55532	TRANSFER	13280063	0.67
				30/06/2018	504085	TRANSFER	13784148	0.69
				06/07/2018	126021	TRANSFER	13910169	0.70
				03/08/2018	-14975	TRANSFER	13895194	0.70
				17/08/2018	-20643	TRANSFER	13874551	0.70
				24/08/2018	-20642	TRANSFER	13853909	0.70
				31/08/2018	-167646	TRANSFER	13686263	0.69
				29/09/2018	711114	TRANSFER	14397377	0.73
				05/10/2018	3190492	TRANSFER	17587869	0.89

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				12/10/2018	3248	TRANSFER	17591117	0.89
				19/10/2018	1260047	TRANSFER	18851164	0.95
				26/10/2018	3885099	TRANSFER	22736263	1.15
				16/11/2018	13202	TRANSFER	22749465	1.15
		Total as on 31.12.2018					**22749465**	**1.15**
4.	**HDFC TRUSTEE COMPANY LIMITED / HDFC TOP 200 FUND**	13281828	0.67	01/01/2018			13281828	0.67
				05/01/2018	542089	TRANSFER	13823917	0.70
				12/01/2018	865826	TRANSFER	14689743	0.74
				19/01/2018	810434	TRANSFER	15500177	0.78
				26/01/2018	523982	TRANSFER	16024159	0.81
				02/02/2018	1518676	TRANSFER	17542835	0.88
				09/02/2018	300056	TRANSFER	17842891	0.90
				16/02/2018	134918	TRANSFER	17977809	0.91
				23/02/2018	612	TRANSFER	17978421	0.91
				02/03/2018	876081	TRANSFER	18854502	0.95
				09/03/2018	734815	TRANSFER	19589317	0.99
				16/03/2018	124779	TRANSFER	19714096	0.99
				23/03/2018	15767	TRANSFER	19729863	0.99
				31/03/2018	-5702	TRANSFER	19724161	0.99
				06/04/2018	-354026	TRANSFER	19370135	0.98
				13/04/2018	566000	TRANSFER	19936135	1.00
				20/04/2018	908000	TRANSFER	20844135	1.05
				27/04/2018	1280000	TRANSFER	22124135	1.11
				04/05/2018	85000	TRANSFER	22209135	1.12
				18/05/2018	1422500	TRANSFER	23631635	1.19
				25/05/2018	1052000	TRANSFER	24683635	1.24
				15/06/2018	22500	TRANSFER	24706135	1.24
				22/06/2018	-2273000	TRANSFER	22433135	1.13
				30/06/2018	40000	TRANSFER	22473135	1.13
				06/07/2018	912500	TRANSFER	23385635	1.18
				20/07/2018	130000	TRANSFER	23515635	1.18
				27/07/2018	107500	TRANSFER	23623135	1.19
				10/08/2018	17500	TRANSFER	23640635	1.19
				24/08/2018	549993	TRANSFER	24190628	1.22
				31/08/2018	-654993	TRANSFER	23535635	1.19
				07/09/2018	-5400	TRANSFER	23530235	1.19
				14/09/2018	634000	TRANSFER	24164235	1.22
				12/10/2018	46776	TRANSFER	24211011	1.22

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				19/10/2018	-1984500	TRANSFER	22226511	1.12
				02/11/2018	447500	TRANSFER	22674011	1.14
				07/12/2018	-1128000	TRANSFER	21546011	1.09
				14/12/2018	-615100	TRANSFER	20930911	1.05
				21/12/2018	-1359000	TRANSFER	19571911	0.99
		Total as on 31.12.2018					**19571911**	**0.99**
5.	**NPS TRUST/ A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME / STATE GOVT**	12356545	0.62	01/01/2018			12356545	0.62
				05/01/2018	2959	TRANSFER	12359504	0.62
				12/01/2018	3984	TRANSFER	12363488	0.62
				19/01/2018	1832	TRANSFER	12365320	0.62
				26/01/2018	1050	TRANSFER	12366370	0.62
				02/02/2018	118585	TRANSFER	12484955	0.63
				09/02/2018	101200	TRANSFER	12586155	0.63
				16/02/2018	108253	TRANSFER	12694408	0.64
				23/02/2018	1519	TRANSFER	12695927	0.64
				02/03/2018	227870	TRANSFER	12923797	0.65
				09/03/2018	29934	TRANSFER	12953731	0.65
				16/03/2018	28800	TRANSFER	12982531	0.65
				23/03/2018	40250	TRANSFER	13022781	0.66
				31/03/2018	118000	TRANSFER	13140781	0.66
				06/04/2018	44210	TRANSFER	13184991	0.66
				20/04/2018	1200	TRANSFER	13186191	0.66
				27/04/2018	-6856	TRANSFER	13179335	0.66
				04/05/2018	1600	TRANSFER	13180935	0.66
				11/05/2018	1600	TRANSFER	13182535	0.66
				18/05/2018	-68044	TRANSFER	13114491	0.66
				25/05/2018	5700	TRANSFER	13120191	0.66
				15/06/2018	2000	TRANSFER	13122191	0.66
				22/06/2018	1600	TRANSFER	13123791	0.66
				30/06/2018	25000	TRANSFER	13148791	0.66
				06/07/2018	6000	TRANSFER	13154791	0.66
				13/07/2018	2525	TRANSFER	13157316	0.66
				20/07/2018	3300	TRANSFER	13160616	0.66
				27/07/2018	1411	TRANSFER	13162027	0.66
				10/08/2018	7745	TRANSFER	13169772	0.66
				17/08/2018	38843	TRANSFER	13208615	0.67
				31/08/2018	46267	TRANSFER	13254882	0.67
				07/09/2018	100500	TRANSFER	13355382	0.67

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				14/09/2018	206980	TRANSFER	13562362	0.68
				21/09/2018	63004	TRANSFER	13625366	0.69
				29/09/2018	139331	TRANSFER	13764697	0.69
				05/10/2018	125000	TRANSFER	13889697	0.70
				12/10/2018	695582	TRANSFER	14585279	0.73
				19/10/2018	262142	TRANSFER	14847421	0.75
				26/10/2018	428081	TRANSFER	15275502	0.77
				02/11/2018	692613	TRANSFER	15968115	0.80
				09/11/2018	380147	TRANSFER	16348262	0.82
				16/11/2018	483268	TRANSFER	16831530	0.85
				23/11/2018	79107	TRANSFER	16910637	0.85
				30/11/2018	21189	TRANSFER	16931826	0.85
				07/12/2018	600	TRANSFER	16932426	0.85
				14/12/2018	49942	TRANSFER	16982368	0.86
				21/12/2018	3921	TRANSFER	16986289	0.86
				28/12/2018	4000	TRANSFER	16990289	0.86
		Total as on 31.12.2018					**16990289**	**0.86**
6.	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND**	13501875	0.68	01/01/2018			13501875	0.68
				26/01/2018	62745	TRANSFER	13564620	0.68
				02/02/2018	56070	TRANSFER	13620690	0.69
				31/03/2018	-65400	TRANSFER	13555290	0.68
				04/05/2018	-26160	TRANSFER	13529130	0.68
				11/05/2018	-24852	TRANSFER	13504278	0.68
				01/06/2018	-19620	TRANSFER	13484658	0.68
				15/06/2018	-19620	TRANSFER	13465038	0.68
				22/06/2018	-57523	TRANSFER	13407515	0.68
				30/06/2018	-315592	TRANSFER	13091923	0.66
				06/07/2018	-37881	TRANSFER	13054042	0.66
				13/07/2018	-60329	TRANSFER	12993713	0.65
				29/09/2018	-315069	TRANSFER	12678644	0.64
				16/11/2018	19800	TRANSFER	12698444	0.64
				23/11/2018	51480	TRANSFER	12749924	0.64
				07/12/2018	25080	TRANSFER	12775004	0.64
				21/12/2018	71280	TRANSFER	12846284	0.65
		Total as on 31.12.2018					**12846284**	**0.65**
7.	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	11733991	0.59	01/01/2018			11733991	0.59
				02/03/2018	100000	TRANSFER	11833991	0.60
				20/07/2018	62107	TRANSFER	11896098	0.60

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				27/07/2018	37893	TRANSFER	11933991	0.60
				31/08/2018	300000	TRANSFER	12233991	0.62
				07/09/2018	150050	TRANSFER	12384041	0.62
				14/09/2018	149950	TRANSFER	12533991	0.63
				09/11/2018	80078	TRANSFER	12614069	0.64
		Total as on 31.12.2018					**12614069**	**0.64**
8.	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**	10149212	0.51	01/01/2018			10149212	0.51
				19/01/2018	134392	TRANSFER	10283604	0.52
				09/02/2018	240937	TRANSFER	10524541	0.53
				01/06/2018	217701	TRANSFER	10742242	0.54
				08/06/2018	170365	TRANSFER	10912607	0.55
				20/07/2018	108085	TRANSFER	11020692	0.56
				27/07/2018	135880	TRANSFER	11156572	0.56
				07/09/2018	248785	TRANSFER	11405357	0.57
				19/10/2018	241239		11646596	0.59
				07/12/2018	161143		11807739	0.59
		Total as on 31.12.2018					**11807739**	**0.59**
9.	**IDFC PREMIER EQUITY FUND**	7276825	0.37	01/01/2018			7276825	0.37
				05/01/2018	19766	TRANSFER	7296591	0.37
				12/01/2018	254741	TRANSFER	7551332	0.38
				26/01/2018	446026	TRANSFER	7997358	0.40
				02/02/2018	107	TRANSFER	7997465	0.40
				09/02/2018	20221	TRANSFER	8017686	0.40
				23/02/2018	245169	TRANSFER	8262855	0.42
				02/03/2018	88286	TRANSFER	8351141	0.42
				09/03/2018	25001	TRANSFER	8376142	0.42
				16/03/2018	-192	TRANSFER	8375950	0.42
				23/03/2018	25000	TRANSFER	8400950	0.42
				31/03/2018	24997	TRANSFER	8425947	0.42
				06/04/2018	990340	TRANSFER	9416287	0.47
				13/04/2018	50000	TRANSFER	9466287	0.48
				27/04/2018	289424	TRANSFER	9755711	0.49
				04/05/2018	150000	TRANSFER	9905711	0.50
				11/05/2018	2435000	TRANSFER	12340711	0.62
				18/05/2018	1285000	TRANSFER	13625711	0.69
				25/05/2018	-904840	TRANSFER	12720871	0.64
				01/06/2018	-457522	TRANSFER	12263349	0.62

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				08/06/2018	-990000	TRANSFER	11273349	0.57
				15/06/2018	-1437500	TRANSFER	9835849	0.50
				30/06/2018	75000	TRANSFER	9910849	0.50
				06/07/2018	320500	TRANSFER	10231349	0.52
				13/07/2018	-27500	TRANSFER	10203849	0.51
				27/07/2018	455000	TRANSFER	10658849	0.54
				03/08/2018	185000	TRANSFER	10843849	0.55
				10/08/2018	202500	TRANSFER	11046349	0.56
				17/08/2018	-23512	TRANSFER	11022837	0.56
				24/08/2018	580350	TRANSFER	11603187	0.58
				31/08/2018	12650	TRANSFER	11615837	0.58
				07/09/2018	487500	TRANSFER	12103337	0.61
				14/09/2018	485000	TRANSFER	12588337	0.63
				21/09/2018	18000	TRANSFER	12606337	0.63
				29/09/2018	-52500	TRANSFER	12553837	0.63
				05/10/2018	-275000	TRANSFER	12278837	0.62
				12/10/2018	2500	TRANSFER	12281337	0.62
				19/10/2018	-7500	TRANSFER	12273837	0.62
				26/10/2018	-980000	TRANSFER	11293837	0.57
				02/11/2018	33420	TRANSFER	11327257	0.57
				09/11/2018	150000	TRANSFER	11477257	0.58
				16/11/2018	52500	TRANSFER	11529757	0.58
				21/12/2018	-25000	TRANSFER	11504757	0.58
		Total as on 31.12.2018					**11504757**	**0.58**
10.	**DEUTSCHE BANK TRUST COMPANY AMERICAS**	13945699	0.70	01/01/2018			13945699	0.70
				12/01/2018	-1432882	TRANSFER	12512817	0.63
				09/03/2018	2548	TRANSFER	12515365	0.63
				16/03/2018	-20000	TRANSFER	12495365	0.63
				23/03/2018	-74420	TRANSFER	12420945	0.63
				31/03/2018	1224249	TRANSFER	13645194	0.69
				06/04/2018	113450	TRANSFER	13758644	0.69
				25/05/2018	14176	TRANSFER	13772820	0.69
				01/06/2018	124383	TRANSFER	13897203	0.70
				08/06/2018	4359	TRANSFER	13901562	0.70
				15/06/2018	814924	TRANSFER	14716486	0.74
				30/06/2018	-917908	TRANSFER	13798578	0.69
				13/07/2018	2428	TRANSFER	13801006	0.70
				27/07/2018	-892832	TRANSFER	12908174	0.65

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				03/08/2018	-380089	TRANSFER	12528085	0.63
				31/08/2018	-1179517	TRANSFER	11348568	0.57
				05/10/2018	-108400	TRANSFER	11240168	0.57
				23/11/2018	-516395	TRANSFER	10723773	0.54
		Total as on 31.12.2018					**10723773**	**0.54**
11.	**GENERAL INSURANCE CORPORATION OF INDIA**	11700000	0.59	01/01/2018			11700000	0.59
				05/01/2018	-200000	TRANSFER	11500000	0.58
				12/01/2018	-50000	TRANSFER	11450000	0.58
				19/01/2018	-150000	TRANSFER	11300000	0.57
				09/02/2018	-50000	TRANSFER	11250000	0.57
				16/02/2018	-171247	TRANSFER	11078753	0.56
				23/02/2018	-290993	TRANSFER	10787760	0.54
				02/03/2018	-287760	TRANSFER	10500000	0.53
				09/03/2018	-240940	TRANSFER	10259060	0.52
				16/03/2018	-259060	TRANSFER	10000000	0.50
				06/04/2018	50000	TRANSFER	10050000	0.51
				13/04/2018	300000	TRANSFER	10350000	0.52
				20/04/2018	50000	TRANSFER	10400000	0.52
				27/04/2018	200000	TRANSFER	10600000	0.53
				18/05/2018	250000	TRANSFER	10850000	0.55
				25/05/2018	320000	TRANSFER	11170000	0.56
				01/06/2018	30000	TRANSFER	11200000	0.56
				10/08/2018	-212491	TRANSFER	10987509	0.55
				24/08/2018	-323712	TRANSFER	10663797	0.54
				31/08/2018	-63797	TRANSFER	10600000	0.53
		Total as on 31.12.2018					**10600000**	**0.53**
12.	**SBI MAGNUM TAXGAIN SCHEME**	10455020	0.53	01/01/2018			10455020	0.53
				05/01/2018	68133	TRANSFER	10523153	0.53
				12/01/2018	45497	TRANSFER	10568650	0.53
				19/01/2018	-1810	TRANSFER	10566840	0.53
				26/01/2018	-256164	TRANSFER	10310676	0.52
				02/02/2018	-124388	TRANSFER	10186288	0.51
				09/02/2018	-63617	TRANSFER	10122671	0.51
				16/02/2018	51833	TRANSFER	10174504	0.51
				23/02/2018	-8486	TRANSFER	10166018	0.51
				02/03/2018	127374	TRANSFER	10293392	0.52
				09/03/2018	95644	TRANSFER	10389036	0.52
				16/03/2018	117545	TRANSFER	10506581	0.53

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				23/03/2018	482321	TRANSFER	10988902	0.55
				31/03/2018	183055	TRANSFER	11171957	0.56
				06/04/2018	-4383156	TRANSFER	6788801	0.34
				11/05/2018	57812	TRANSFER	6846613	0.34
				18/05/2018	20670	TRANSFER	6867283	0.35
				01/06/2018	632	TRANSFER	6867915	0.35
				08/06/2018	602500	TRANSFER	7470415	0.38
				22/06/2018	318	TRANSFER	7470733	0.38
				30/06/2018	170	TRANSFER	7470903	0.38
				13/07/2018	4691	TRANSFER	7475594	0.38
				20/07/2018	309	TRANSFER	7475903	0.38
				03/08/2018	14	TRANSFER	7475917	0.38
				10/08/2018	320	TRANSFER	7476237	0.38
				24/08/2018	13	TRANSFER	7476250	0.38
				31/08/2018	-343	TRANSFER	7475907	0.38
				14/09/2018	26	TRANSFER	7475933	0.38
				21/09/2018	618	TRANSFER	7476551	0.38
				29/09/2018	10843	TRANSFER	7487394	0.38
				05/10/2018	775	TRANSFER	7488169	0.38
				12/10/2018	1037	TRANSFER	7489206	0.38
				19/10/2018	333	TRANSFER	7489539	0.38
				26/10/2018	2276009	TRANSFER	9765548	0.49
				02/11/2018	784616	TRANSFER	10550164	0.53
				09/11/2018	17	TRANSFER	10550181	0.53
				16/11/2018	-75	TRANSFER	10550106	0.53
				30/11/2018	-4176	TRANSFER	10545930	0.53
				14/12/2018	-2787	TRANSFER	10543143	0.53
				28/12/2018	-12	TRANSFER	10543131	0.53
		Total as on 31.12.2018					**10543131**	**0.53**
13.	**CITY OF NEW YORK GROUP TRUST**	6995440	0.35	01/01/2018			6995440	0.35
				26/01/2018	29767	TRANSFER	7025207	0.35
				09/02/2018	14695	TRANSFER	7039902	0.35
				16/03/2018	-40419	TRANSFER	6999483	0.35
				20/04/2018	7194	TRANSFER	7006677	0.35
				27/04/2018	14068	TRANSFER	7020745	0.35
				18/05/2018	27754	TRANSFER	7048499	0.35
				01/06/2018	7067	TRANSFER	7055566	0.36
				27/07/2018	423551	TRANSFER	7479117	0.38

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				03/08/2018	51910	TRANSFER	7531027	0.38
				05/10/2018	35051	TRANSFER	7566078	0.38
				12/10/2018	116001	TRANSFER	7682079	0.39
				19/10/2018	569520	TRANSFER	8251599	0.42
				26/10/2018	788570	TRANSFER	9040169	0.46
				02/11/2018	206579	TRANSFER	9246748	0.47
		Total as on 31.12.2018					**9246748**	**0.47**
14.	**JPMORGAN SICAV INVESTMENT COMPANY (MAURITIUS) LIMITED**	11108134	0.56	01/01/2018			11108134	0.56
				26/01/2018	-1000000	TRANSFER	10108134	0.51
				09/02/2018	-416000	TRANSFER	9692134	0.49
				12/10/2018	-818400	TRANSFER	8873734	0.45
				19/10/2018	-681600	TRANSFER	8192134	0.41
		Total as on 31.12.2018					**8192134**	**0.41**
15.	**JP MORGAN INDIAN INVESTMENT COMPANY (MAURITIUS) LIMITED**	10348666	0.52	01/01/2018			10348666	0.52
				09/02/2018	-414026	TRANSFER	9934640	0.50
				14/09/2018	-417081	TRANSFER	9517559	0.48
				12/10/2018	-824010	TRANSFER	8693549	0.44
				19/10/2018	-675990	TRANSFER	8017559	0.40
		Total as on 31.12.2018					**8017559**	**0.40**
16.	**BIRLA SUN LIFE INSURANCE COMPANY LIMITED**	2848288	0.14	01/01/2018			2848288	0.14
				26/01/2018	-746581	TRANSFER	2101707	0.11
				06/04/2018	-17800	TRANSFER	2083907	0.10
				08/06/2018	37500	TRANSFER	2121407	0.11
				30/06/2018	1464271	TRANSFER	3585678	0.18
				06/07/2018	1576180	TRANSFER	5161858	0.26
				13/07/2018	921320	TRANSFER	6083178	0.31
				20/07/2018	795280	TRANSFER	6878458	0.35
				27/07/2018	104150	TRANSFER	6982608	0.35
				03/08/2018	-1225600	TRANSFER	5757008	0.29
				17/08/2018	425000	TRANSFER	6182008	0.31
				21/09/2018	-252100	TRANSFER	5929908	0.30
				29/09/2018	-99350	TRANSFER	5830558	0.29
				05/10/2018	112120	TRANSFER	5942678	0.30
				19/10/2018	1700660	TRANSFER	7643338	0.38
				26/10/2018	54910	TRANSFER	7698248	0.39
				02/11/2018	2593270	TRANSFER	10291518	0.52
				09/11/2018	216000	TRANSFER	10507518	0.53
				16/11/2018	-84142	TRANSFER	10423376	0.52

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				23/11/2018	-90653	TRANSFER	10332723	0.52
				30/11/2018	-867300	TRANSFER	9465423	0.48
				07/12/2018	-1393507	TRANSFER	8071916	0.41
				28/12/2018	-190403	TRANSFER	7881513	0.40
		Total as on 31.12.2018					**7881513**	**0.40**
17.	**UTI/MNC FUND**	7059596	0.36	01/01/2018			7059596	0.36
				05/01/2018	21921	TRANSFER	7081517	0.36
				12/01/2018	13302	TRANSFER	7094819	0.36
				19/01/2018	35693	TRANSFER	7130512	0.36
				26/01/2018	11024	TRANSFER	7141536	0.36
				02/02/2018	20121	TRANSFER	7161657	0.36
				09/02/2018	-2027	TRANSFER	7159630	0.36
				16/02/2018	12319	TRANSFER	7171949	0.36
				23/02/2018	18507	TRANSFER	7190456	0.36
				02/03/2018	190058	TRANSFER	7380514	0.37
				09/03/2018	120579	TRANSFER	7501093	0.38
				16/03/2018	-188313	TRANSFER	7312780	0.37
				23/03/2018	-115514	TRANSFER	7197266	0.36
				31/03/2018	59378	TRANSFER	7256644	0.37
				06/04/2018	-1129173	TRANSFER	6127471	0.31
				13/04/2018	-62500	TRANSFER	6064971	0.31
				20/04/2018	-178875	TRANSFER	5886096	0.30
				04/05/2018	-76058	TRANSFER	5810038	0.29
				11/05/2018	7500	TRANSFER	5817538	0.29
				08/06/2018	552500	TRANSFER	6370038	0.32
				22/06/2018	-235000	TRANSFER	6135038	0.31
				30/06/2018	-398016	TRANSFER	5737022	0.29
				06/07/2018	346022	TRANSFER	6083044	0.31
				13/07/2018	3588	TRANSFER	6086632	0.31
				27/07/2018	-463	TRANSFER	6086169	0.31
				03/08/2018	-1248	TRANSFER	6084921	0.31
				10/08/2018	-110175	TRANSFER	5974746	0.30
				17/08/2018	8275	TRANSFER	5983021	0.30
				24/08/2018	1878	TRANSFER	5984899	0.30
				31/08/2018	285864	TRANSFER	6270763	0.32
				07/09/2018	4069	TRANSFER	6274832	0.32
				14/09/2018	60321	TRANSFER	6335153	0.32
				21/09/2018	-1701	TRANSFER	6333452	0.32

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				29/09/2018	-4682	TRANSFER	6328770	0.32
				05/10/2018	10126	TRANSFER	6338896	0.32
				12/10/2018	7862	TRANSFER	6346758	0.32
				19/10/2018	-44751	TRANSFER	6302007	0.32
				26/10/2018	-69647	TRANSFER	6232360	0.31
				02/11/2018	7620	TRANSFER	6239980	0.31
				09/11/2018	3498	TRANSFER	6243478	0.31
				16/11/2018	5619	TRANSFER	6249097	0.31
				23/11/2018	1908	TRANSFER	6251005	0.31
				30/11/2018	4265	TRANSFER	6255270	0.32
				07/12/2018	704	TRANSFER	6255974	0.32
				14/12/2018	10138	TRANSFER	6266112	0.32
				21/12/2018	5980	TRANSFER	6272092	0.32
				28/12/2018	-2247	TRANSFER	6269845	0.32
		Total as on 31.12.2018					**6269845**	**0.32**
18.	**ISHARES INDIA INDEX MAURITIUS COMPANY**	6896774	0.35	01/01/2018			6896774	0.35
				05/01/2018	-15259	TRANSFER	6881515	0.35
				12/01/2018	63112	TRANSFER	6944627	0.35
				19/01/2018	29018	TRANSFER	6973645	0.35
				26/01/2018	22610	TRANSFER	6996255	0.35
				02/02/2018	40698	TRANSFER	7036953	0.35
				09/02/2018	-19726	TRANSFER	7017227	0.35
				16/02/2018	-29367	TRANSFER	6987860	0.35
				02/03/2018	-71942	TRANSFER	6915918	0.35
				09/03/2018	-6705	TRANSFER	6909213	0.35
				27/04/2018	-51999	TRANSFER	6857214	0.35
				11/05/2018	-13446	TRANSFER	6843768	0.34
				18/05/2008	-40338	TRANSFER	6803430	0.34
				25/05/2018	-145665	TRANSFER	6657765	0.34
				01/06/2018	-240884	TRANSFER	6416881	0.32
				08/06/2018	-21930	TRANSFER	6394951	0.32
				15/06/2018	-26721	TRANSFER	6368230	0.32
				22/06/2018	-17488	TRANSFER	6350742	0.32
				30/06/2018	-43720	TRANSFER	6307022	0.32
				06/07/2018	-13116	TRANSFER	6293906	0.32
				27/07/2018	23119	TRANSFER	6317025	0.32
				31/08/2018	-46074	TRANSFER	6270951	0.32
				07/09/2018	-107959	TRANSFER	6162992	0.31

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				14/09/2018	13008	TRANSFER	6176000	0.31
				21/09/2018	52069	TRANSFER	6228069	0.31
				12/10/2018	-65388	TRANSFER	6162681	0.31
				19/10/2018	10365	TRANSFER	6173046	0.31
				26/10/2018	8916	TRANSFER	6181962	0.31
				02/11/2018	-1333	TRANSFER	6180629	0.31
				16/11/2018	11015	TRANSFER	6191644	0.31
				07/12/2018	-7997	TRANSFER	6183647	0.31
				28/12/2018	21820	TRANSFER	6205467	0.31
				31/12/2018	13087	TRANSFER	6218554	0.31
		Total as on 31.12.2018					**6218554**	**0.31**
19.	**JPMORGAN INDIA FUND**	8551135	0.43	01/01/2018			8551135	0.43
				26/01/2018	-500000	TRANSFER	8051135	0.41
				02/02/2018	-960000	TRANSFER	7091135	0.36
				09/02/2018	-73251	TRANSFER	7017884	0.35
				12/10/2018	-631742	TRANSFER	6386142	0.32
				19/10/2018	-518258	TRANSFER	5867884	0.30
		Total as on 31.12.2018					**5867884**	**0.30**
20.	**PEOPLE'S BANK OF CHINA**	3243975		01/01/2018			3243975	0.16
				05/01/2018	-6405	TRANSFER	3237570	0.16
				12/01/2018	32044	TRANSFER	3269614	0.16
				19/01/2018	4576	TRANSFER	3274190	0.16
				02/02/2018	45285	TRANSFER	3319475	0.17
				09/02/2018	148381	TRANSFER	3467856	0.17
				02/03/2018	-15604	TRANSFER	3452252	0.17
				09/03/2018	5907	TRANSFER	3458159	0.17
				16/03/2018	60489	TRANSFER	3518648	0.18
				23/03/2018	26219	TRANSFER	3544867	0.18
				31/03/2018	56741	TRANSFER	3601608	0.18
				06/04/2018	76788	TRANSFER	3678396	0.19
				13/04/2018	6972	TRANSFER	3685368	0.19
				20/04/2018	68363	TRANSFER	3753731	0.19
				04/05/2018	22375	TRANSFER	3776106	0.19
				11/05/2018	17382	TRANSFER	3793488	0.19
				18/05/2018	15290	TRANSFER	3808778	0.19
				25/05/2018	21817	TRANSFER	3830595	0.19
				01/06/2018	-42983	TRANSFER	3787612	0.19
				08/06/2018	16268	TRANSFER	3803880	0.19

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				15/06/2018	69584	TRANSFER	3873464	0.20
				22/06/2018	84274	TRANSFER	3957738	0.20
				30/06/2018	17279	TRANSFER	3975017	0.20
				06/07/2018	21922	TRANSFER	3996939	0.20
				13/07/2018	20905	TRANSFER	4017844	0.20
				20/07/2018	38732	TRANSFER	4056576	0.20
				27/07/2018	34874	TRANSFER	4091450	0.21
				03/08/2018	33233	TRANSFER	4124683	0.21
				10/08/2018	33222	TRANSFER	4157905	0.21
				17/08/2018	19740	TRANSFER	4177645	0.21
				24/08/2018	62791	TRANSFER	4240436	0.21
				31/08/2018	46940	TRANSFER	4287376	0.22
				07/09/2018	14729	TRANSFER	4302105	0.22
				05/10/2018	14452	TRANSFER	4316557	0.22
				12/10/2018	39466	TRANSFER	4356023	0.22
				19/10/2018	30070	TRANSFER	4386093	0.22
				26/10/2018	40256	TRANSFER	4426349	0.22
				02/11/2018	40039	TRANSFER	4466388	0.22
				09/11/2018	18238	TRANSFER	4484626	0.23
				16/11/2018	36671	TRANSFER	4521297	0.23
				23/11/2018	19486	TRANSFER	4540783	0.23
				30/11/2018	49879	TRANSFER	4590662	0.23
				07/12/2018	31404	TRANSFER	4622066	0.23
				14/12/2018	32882	TRANSFER	4654948	0.23
				21/12/2018	21087	TRANSFER	4676035	0.24
		Total as on 31.12.2018					**4676035**	**0.24**
21.	**ABERDEEN GLOBAL INDIAN EQUITY LIMITED**	19765787	1.00	01/01/2018			19765787	1.00
				12/01/2018	-545000	TRANSFER	19220787	0.97
				19/01/2018	-455000	TRANSFER	18765787	0.95
				01/06/2018	-1250000	TRANSFER	17515787	0.88
				08/06/2018	-2000000	TRANSFER	15515787	0.78
				15/06/2018	-1982725	TRANSFER	13533062	0.68
				22/06/2018	-5317275	TRANSFER	8215787	0.41
				06/07/2018	-2600000	TRANSFER	5615787	0.28
				05/10/2018	-860000	TRANSFER	4755787	0.24
				19/10/2018	-300000	TRANSFER	4455787	0.22
		Total as on 31.12.2018					**4455787**	**0.22**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
22.	**RELIANCE CAPITAL TRUSTEE CO. LTD. / A/C RELIANCE TAX SAVER (ELSS) FUND**	16108465	0.81	01/01/2018			16108465	0.81
				05/01/2018	1980331	TRANSFER	18088796	0.91
				12/01/2018	6271	TRANSFER	18095067	0.91
				19/01/2018	2172364	TRANSFER	20267431	1.02
				26/01/2018	87412	TRANSFER	20354843	1.03
				02/02/2018	-11210	TRANSFER	20343633	1.02
				09/02/2018	1078754	TRANSFER	21422387	1.08
				16/02/2018	2842	TRANSFER	21425229	1.08
				23/02/2018	1351191	TRANSFER	22776420	1.15
				09/03/2018	1748684	TRANSFER	24525104	1.24
				16/03/2018	752084	TRANSFER	25277188	1.27
				23/03/2018	7209	TRANSFER	25284397	1.27
				31/03/2018	9078	TRANSFER	25293475	1.27
				06/04/2018	382958	TRANSFER	25676433	1.29
				13/04/2018	-824412	TRANSFER	24852021	1.25
				20/04/2018	-279896	TRANSFER	24572125	1.24
				27/04/2018	-279629	TRANSFER	24292496	1.22
				04/05/2018	3563	TRANSFER	24296059	1.22
				11/05/2018	110644	TRANSFER	24406703	1.23
				18/05/2018	297628	TRANSFER	24704331	1.24
				25/05/2018	-74775	TRANSFER	24629556	1.24
				01/06/2018	5599	TRANSFER	24635155	1.24
				08/06/2018	-2796392	TRANSFER	21838763	1.10
				15/06/2018	3544	TRANSFER	21842307	1.10
				22/06/2018	-728428	TRANSFER	21113879	1.06
				30/06/2018	-1197029	TRANSFER	19916850	1.00
				06/07/2018	1219520	TRANSFER	21136370	1.06
				13/07/2018	-928715	TRANSFER	20207655	1.02
				20/07/2018	466790	TRANSFER	20674445	1.04
				27/07/2018	-10888	TRANSFER	20663557	1.04
				03/08/2018	-1555350	TRANSFER	19108207	0.96
				10/08/2018	262922	TRANSFER	19371129	0.98
				17/08/2018	-38216	TRANSFER	19332913	0.97
				24/08/2018	72092	TRANSFER	19405005	0.98
				31/08/2018	-695092	TRANSFER	18709913	0.94
				07/09/2018	-419445	TRANSFER	18290468	0.92
				14/09/2018	5836	TRANSFER	18296304	0.92
				21/09/2018	-348965	TRANSFER	17947339	0.90

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				29/09/2018	-315821	TRANSFER	17631518	0.89
				05/10/2018	-3057609	TRANSFER	14573909	0.73
				12/10/2018	57369	TRANSFER	14631278	0.74
				19/10/2018	34026	TRANSFER	14665304	0.74
				26/10/2018	-7169032	TRANSFER	7496272	0.38
				02/11/2018	-2840864	TRANSFER	4655408	0.23
				09/11/2018	-827305	TRANSFER	3828103	0.19
				16/11/2018	-1207647	TRANSFER	2620456	0.13
				23/11/2018	52320	TRANSFER	2672776	0.13
				30/11/2018	-434	TRANSFER	2672342	0.13
				07/12/2018	-15094	TRANSFER	2657248	0.13
				14/12/2018	-110680	TRANSFER	2546568	0.13
				21/12/2018	57294	TRANSFER	2603862	0.13
				28/12/2018	-69458	TRANSFER	2534404	0.13
				31/12/2018	2254	TRANSFER	2536658	0.13
		Total as on 31.12.2018					**2536658**	**0.13**
23.	**THE INDIA FUND INC**	6811000	0.34	01/01/2018			6811000	0.34
				05/01/2018	-1400000	TRANSFER	5411000	0.27
				01/06/2018	-300000	TRANSFER	5111000	0.26
				15/06/2018	-624694	TRANSFER	4486306	0.23
				22/06/2018	-1675306	TRANSFER	2811000	0.14
				29/09/2018	-540000	TRANSFER	2271000	0.11
				05/10/2018	-450000	TRANSFER	1821000	0.09
		Total as on 31.12.2018					**1821000**	**0.09**
24.	**EUROPACIFIC GROWTH FUND**	52190000	2.63	01/01/2018			52190000	2.63
				26/10/2018	-1802950	TRANSFER	50387050	2.54
				02/11/2018	-46285990	TRANSFER	4101060	0.21
				09/11/2018	-1406797	TRANSFER	2694263	0.14
				16/11/2018	-2694263	TRANSFER	0	0.00
		Total as on 31.12.2018					**0**	**0.00**

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year - 1st January, 2018		Shareholding at the end of the year - 31st December, 2018	
	Name of the Director/ KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. N.S. Sekhsaria	1000	-	1000	-
2.	Mr. B.L.Taparia	307284	-	207284	-
3.	Mr. Ajay Kapur	185500	-	285500	-
4.	Mr. Rajiv Gandhi	2000	-	2000	-
5.	Mr. Shailesh Haribhakti	19650	-	0	-

V. INDEBTEDNESS

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

(₹ In Crores)

PARTICULARS	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.01.2018 (1)				
1) Principal Amount	24.12			24.12
2) Interest due but not paid	0.00			0.00
3) Interest accrued but not due	0.00			0.00
Total of (1+2+3)	**24.12**			**24.12**
Change in Indebtedness during the financial year				
Addition (1)	21.55	0.00	0.00	21.55
Reduction (1)	(5.99)	0.00	0.00	(5.99)
Net change	15.56	0.00	0.00	15.56
Indebtedness at the end of the financial year / 31.12.2018	39.68	0.00	0.00	39.68
1) Principal Amount	39.68	0.00	0.00	39.68
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	0.00	0.00	0.00	0.00
Total of (1+2+3)	**39.68**	**0.00**	**0.00**	**39.68**

(1) The above includes interest free loans under sales tax department schemes from State Government as given in Note 21 of standalone financial statements and is recognised at fair value in the books and reduction is on account of effect of unwinding & discounting.

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Ajay Kapur
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	613.84
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.84
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	
2.	Stock Option	0.00
3.	Sweat Equity	0.00
4.	Commission - As % of Profit - Others, specify	0.00
5.	Others, please specify Provident Fund & other Funds	44.88
	Performance Bonus (Refer Note)	434.79
	Total (A)	**1096.35**
	Ceiling as per the Act	5% of the net profits of the Company

Note: The above figures do not include performance bonus of the MD & CEO for FY 2018. The performance bonus mentioned above is for FY 2017 paid in FY 2018.

B. Remuneration of other Directors:

1. Independent Directors:-

(₹ In Lakhs)

Particulars of Remuneration	Name of Directors					Total Amount
	Mr. N. Munjee	Mr. R. Chitale	Mr. S. Haribhakti	Dr. O. Goswami	Mr. H. Khaitan	
Fee for attending board committee meetings	8.90	11.70	6.60	8.30	6.50	42.00
Commission	36.00	45.00	36.00	36.00	36.00	189.00
Others, please specify	Nil	Nil	Nil	Nil	Nil	-
Total (1)	**44.90**	**56.70**	**42.60**	**44.30**	**42.50**	**231.00**

2. Other Non-Executive Directors:-

(₹ In Lakhs)

Other Non-Executive Directors	Mr. N. Sekhsaria	Mr. C. Hassig	Mr. J. Jenisch	Mr. B.L. Taparia (1)	Ms. U. Sangwan (2)	Mr. M. Kriegner (3)	Mr. R. Kohler (4)	Total Amount
Fee for attending board committee meetings	5.50	4.00	0.50	6.40	1.00	5.40	1.50	24.30
Commission	50.00	20.00	20.00	Nil	19.40	Nil	17.26	126.66
Others	Nil	Nil	Nil	131.00	Nil	Nil	Nil	131.00
Total (2)	**55.5**	**24.00**	**20.50**	**137.40**	**20.40**	**5.40**	**18.76**	**281.96**
Total B = (1+2)								**512.96**
Ceiling as per the Act	1% of the Net Profits of the Company							

(1) The Board has extended the advisory service agreement of Mr. B. L. Taparia for a year from 1st November, 2018 at a service fee of ₹ 5,50,000/- p.m.

(2) For the period of January 1, 2018 to December 20, 2018

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

(4) For the period of February 20, 2018 to December 31, 2018.

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Suresh Joshi	Mr. Rajiv Gandhi	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	183.11	78.22	261.33
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Suresh Joshi	Mr. Rajiv Gandhi	
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - As % of Profit - Others, specify			
5.	Others, please specify Contribution to Provident Fund	21.99	10.85	32.84
	Performance Bonus (Refer Note)	70.84	17.68	88.52
	Cash in lieu of erstwhile Holcim Ltd's ESOP Scheme			
	Total	**275.94**	**106.75**	**382.69**

Note: The above figures do not include performance bonus of the CFO & CS for FY 2018. The performance bonus mentioned above is for FY 2017 paid in FY 2018.

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

None

On behalf of the Board of Director

Sd/-

N. S. Sekhsaria

Chairman & Principal Founder

(DIN: 00276351)

Mumbai, 18th February, 2019

Form No. AOC-2

January to December - 2018

Particulars of contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st December 2018, which are not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st December 2018 are as follows;

Name of the related party Nature of Contract	Nature of Relationship	Duration of Contract	Silent Terms (1)	Amount (in ₹ Crs.)
Purchase of goods				
LafargeHolcim Energy Solutions S.A.S, France	Fellow Subsidiary	January 1st, 2018 - December 31st, 2018[1]	Based on Transfer Pricing Guidelines	267.5
ACC Limited	Subsidiary	June 1st, 2018 - December 31st, 2018	Based on Transfer Pricing Guidelines	24.3
				291.8
Sale of goods				
ACC Limited	Subsidiary	June 1st, 2018 - December 31st, 2018	Based on Transfer Pricing Guidelines	12.2
				12.2
Receiving of services				
ACC Limited	Subsidiary	August 1st, 2014 - July 31st, 2019[3]	Based on Transfer Pricing Guidelines	42.8
Holcim Technology Ltd, Switzerland	Fellow Subsidiary	January 1st, 2013 - December 31st, 2017[2]	Based on Transfer Pricing Guidelines	109.5
Holcim Services (South Asia) Limited	Fellow Subsidiary	April 1st, 2016 - March 31st, 2019	Based on Transfer Pricing Guidelines	66.9
				219.1
Rendering of services				
ACC Limited	Subsidiary	August 1st, 2014 - July 31st, 2019[3]	Based on Transfer Pricing Guidelines	47.1
				47.1

Note:

1. Purchase of goods from Lafarge Holcim Energy Solutions referred above is towards procurement of petcoke.
2. Payment of fees to Holcim Technology Ltd. was towards availing various technical and other services which formed part of the Technical and Know-how Agreement entered into by the Company for a period of 3 years (i.e. from 2018- 2020), pursuant to the approval of the Board and the Shareholders.
3. Supply of of cement, clinker, raw materials and sparts parts and for providing toll grinding services in certain plants is pusurant to the Master Supply Agreement entered into between the Company and its subsidiary, ACC Ltd., as approved by the Board and shareholders

Abstract of the Policy for selection and appointment of Directors

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

1. Criteria of selection of Non Executive Directors

i. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance & taxation, law & governance and general management.

ii. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the Independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

iii. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act 2013.

iv. The N&R Committee shall consider the following attributes / criteria whilst recommending to the Board the candidature for appointment as Director.

a. Qualification, expertise and experience of the Directors in their respective fields;

b. Personal, Professional or business standing

c. Diversity of the Board

v. In case of re-appointment of Non Executive Directors, the Board shall, take into consideration the performance evaluation of the Director and his engagement level.

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

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

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

3. Details of the remuneration to Director / Senior Management policy is available as a part of Corporate Governance Report.

SECRETARIAL AUDIT REPORT

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

FOR THE YEAR ENDED 31ST DECEMBER, 2018

To

The Members,

Ambuja Cements Limited

Elegant Business Park, MIDC Cross Road 'B',

Off. Andheri – Kurla Road, Andheri (East),

Mumbai – 400 059

Dear Sirs,

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering calendar year ("year") ended on 31st December, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Ambuja Cements Limited ("the Company") for the year ended on 31st December, 2018, according to the applicable provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;

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

      i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

      iii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

   i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

   iv. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and

vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

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

(ii) Mines Act, 1952 read with Mines Rules, 1955

(iii) Cement Cess Rule, 1993

(iv) Cement (Quality Control) Order, 2003.

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

During the year under the report the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

As regards, event / action which had major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

We would like to report that in the preceding year, appeal filed by the Company against the Order of Competition Commission of India (CCI) for penalty of ₹ 1163.91 crores levied on the Company was heard and dismissed by National Company Law Appellate Tribunal (NCLAT) and CCI's Order was upheld. Further, the Company has challenged the judgment passed by NCLAT before the Supreme Court. The Supreme Court has admitted the appeal and ordered for continuation of interim order passed by the Tribunal.

Further, we would also like to report that pursuant to a reference filed by Director, Supplies and Disposals, Government of Haryana, the CCI by its order dated 19th January, 2017 has imposed a penalty of ₹ 29.84 crores on the Company. On the Company's appeal, the Competition Appellate Tribunal (COMPAT) has stayed the operation of CCI's order. By virtue of Government notification, all cases pending before COMPAT were transferred to the National Company Law Appellate Tribunal (NCLAT) and, as such, the hearing on the appeal is underway at the NCLAT.

For RATHI & ASSOCIATES COMPANY SECRETARIES

HIMANSHU S. KAMDAR

Date: 7th February, 2019 PARTNER M. NO. FCS 5171

Place: Mumbai CP No.3030

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

A) CONSERVATION OF ENERGY

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

1. Optimisation of Furnace draft (Bhatapara)
2. Removal of Boiler 1&2 FD fan Silencer & bell mouth suction fixing (Bhatapara)
3. Line-1 coal mill Drag chain of 22 kW replaced with belt conveyor of 5.5 kW (Bhatapara)
4. Reduction in output Voltage of USS 3A Lighting Transformer (Bhatapara)
5. Reduction in Power by changing USS-6 P&V Blower connection from delta to star at (Bhatapara)
6. Replacement of 1st chamber Liner in Cement Mill-2 to increase Grinding efficiency at (Sankrail)
7. Optimized Grinding Media pattern and increased filling degree in Cement Mill to reduce electrical energy consumption (Ropar)
8. Installed high efficiency water pumps (Ropar)
9. Modification of Boiler Feed Pump in CPP helped in reducing Auxiliary power consumption at (Ropar)
10. Replacement of coal firing blower (Rabariyawas)
11. Replacement of two nos. blower for C.F. Silo extraction at Rabariyawas.
12. Increase in flyash consumption by improving the clinker reactivity and by ensuring consistent supply of fly ash at various locations.
13. Cement mill 2 Grinding Media re-gradation & optimization of grinding media charge pattern to increase the productivity (Rabariyawas)
14. Change in orientation of Kiln coal firing transport line (Suli)
15. VFD installation at various locations
16. Removal of Dampers from Bag Filter ducts after VFD installation (Roorkee)
17. Energy efficient motors IE2 purchased in place of IE1 (Dadri)
18. Coal Mill fan modification to reduce SEEC of fan (Gaj 2)
19. Dam-ring optimization in Raw Mill (Gaj-2)
20. PC firing nozzle position optimized in order to improve combustion efficiency and also PC nozzle area optimization done to improve injection velocity (Ambuja and Gaj 1)
21. Main firing blower volume reduced in order to reduce STEC, SEEC and NOx. (Gaj 1)

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

1. Improved TSR % across all Plants with usage of Alternate fuel in place of Fossil fuels.
2. Continuous operation of solar power (Bhatapara)
3. WHRS (Rabariyawas)
4. Double shredding of the plastic mix to improve AF consumption (Ambujanagar)
5. 15 KW solar panel installed for MPSS lighting and battery backup (Ambujanagar)
6. Use of Wind Power (Surat)

(3) The capital investment on energy conservation equipment

1. Installation of Water Spray system in PH Cyclone to increase the productivity of Kiln-1 and to reduce power consumption (Bhatapara)
2. Installed high efficiency water pumps (Ropar)
3. Replacement of DC motors with AC motors in Weigh Feeders (Ropar)
4. Replacement of Raw Mill 1 ID fan with high efficiency fan (Rabariyawas)

5. Installation of reactive power compensation panel to improve Grid power factor on low load (Rabariyawas)
6. Installation of VFD at various locations
7. Two number of cooler fan GRR replaced with LVVFD (Suli)
8. Installation of screw compressors in place of reciprocating compressors (Ambujanagar)
9. Installation of Mineral Sizer in place of conventional Roll Crusher (Ambujanagar)

B) TECHNOLOGY ABSORPTION

I. RESEARCH AND DEVELOPMENT (R&D)

1) Efforts made towards Technology Absorption:

1. EMS client installed for continuous monitoring of Mill main motor/ Sepol/ Osepa power (Farakka)
2. PCS HMI up gradation from 7.4 to 7.9 version (Farakka)
3. Installation of color index to identify variation in color of various sources of fly ash (Sankrail)
4. Installation of SNCR system to reduce NOx emission at various locations
5. Digitalization of walk by inspection to improve quality of inspection across all Plants.
6. Nitrogen Injection fire prevention and extinguishing system (NIFPES) for oil filled transformers (Ambujanagar)
7. Auto fire suppression system in surface miners (Ambujanagar)

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

1. Reduction of Contract Demand from 8 MVA to 7.5 MVA (Farakka)
2. Energy saving through initiative like VFD installation, LED lights and optimisation measures
3. Minimize the variation of color in final product (Sankrail)
4. Better conversion factor of clinker with higher fly ash addition.

3) Information regarding Technology Imported during last 3 years

Details of Technology Imported	Year of Import	Status of implementation / absorption
Geocycle Facilities for processing hazardous wastes	2016	Fully Absorbed
Clinker Reactivity for maximizing flyash usage	2016	Fully Absorbed
Pre-heater modification for higher petcoke and AF usage	2016	Fully Absorbed
OBIS (Onboard Information System) for better mining fleet management	2017	Fully Absorbed
Upgradation of Energy Management System-Schneider at Bhatapara	2018	Fully Absorbed.
Software EPIC3 controller installed in CPP ESP for controlling hammering action in ESP at Ropar	2018	Fully Absorbed
Installation of SNCR system to reduce NOx emission	2018	Fully Absorbed
Mineral Sizer in place of conventional roll crusher	2018	Fully Absorbed

4) Expenditure on R&D:

(₹ in Crores)

	Current Year 31.12.2018	Previous Year 31.12.2017
Capital Expenditure	0.75	0.63
Recurring Expenditure	0.26	0.40
Total Expenditure	1.01	1.03
Total R & D expenditure as a percentage of total turnover	0.01%	0.01%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned :		
Category	**Current Year 2018 (₹ in crores)**	**Previous Year 2017 (₹ in crores)**
Used	989.64	975.99
Earned	2.79	4.59

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

Median remuneration of all the employees of the Company for the Financial Year 2018	621,756
Percentage increase in the median remuneration of employees in the Financial Year	3.17%
Number of permanent employees on the rolls of the Company as on 31st December, 2018	4,745

Name of Director and KMP	Remuneration	Ratio of remuneration to median remuneration of all employees(a)	% increase in remuneration in the Financial Year 2018
Non Executive Directors			
Mr. N.S. Sekhsaria	5,550,000	8.93	0.54%
Mr. Jan Jenisch	2,050,000	3.3	378.97%
Mr. Martin Kriegner	540,000	0.87	-87.20%
Mr. Chrisfof Haessig	2,400,000	3.86	-2.04%
Mr. Roland Kohler	1,876,000	3.02	N.A.
Ms. Usha Sangwan	2,040,000	3.28	-7.27%
Mr. B.L. Taparia	13,740,000	31.36	28.54%
Independent Directors			
Mr. Nasser Munjee	4,490,000	7.22	4.42%
Mr. Rajendra Chitale	5,670,000	9.12	-0.70%
Mr. Shailesh Haribhakti	4,260,000	6.85	-4.48%
Dr. Omkar Goswami	4,430,000	7.12	-3.49%
Mr. Haigreve Khaitan	4,250,000	6.84	4.17%
Executive Director			
Mr. Ajay Kapur, MD & CEO (Refer point no. 2)	109,635,897	176.33	17.84%
Other KMPs			
Mr. Suresh Joshi, Chief Financial Officer	27,594,882	44.38	15.77%
Mr. Rajiv Gandhi, Company Secretary	10,675,788	17.17	13.78%

Notes:

(1) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st January, 2018 to 31st December, 2018;

(2) (a) The remuneration to Directors includes sitting fees paid for attending Board and Committee Meeting and commission to them.

(b) Remuneration to MD & CEO and KMPs includes salary, performance bonus, allowances & other benefits/applicable perquisities except contribution to the approved Pension Fund under the defined benefit scheme and Gratutity Funds and provisions for leave encashment which are actuarially determined on an overall Company basis.

(3) The % increase in remuneration in case of Mr. Roland Kohler and Mr. Jan Jenisch is not comparable with that of the previous year 2017 as Mr.Kohler was appointed as Director w.e.f. 20.02.2018 and Mr. Jenisch joined the Board w.e.f. 24.10.2017(i.e. part of 2017)

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

(5) Average percentile increase in the salaries of employees other than the Managerial Personnel and its comparison with the percentile increase in the Managerial Remuneration and justification thereof:

    (a) Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel (i.e. M.D.&CEO) is 5.15 % while percentile increase in the Managerial Remuneration is 18.18%.

    (b) Average increase in the remuneration of the employees other than the Managerial Personnel is in line with the industry practice and is within the normal range.

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

Form AOC-1

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

A) **Subsidiary company** ₹ in crores

Name	Date of acquisition	Financial year ending on	As on and for the year ended	Reporting Currency	Share capital	Reserves and surplus	Total assets	Total liabilities	Total Invetments	Turnover	Profit / (loss) before tax	Provision for taxation	Profit / (loss) after tax but before share of profit in associates and minority interest	Proposed Dividend (including dividend distribution tax) (4)	% of Shareholding
M.G.T. Cements Private Limited	10/20/2007	**31st December, 2018**	**31st December, 2018**	₹	0.75	-0.75	-	-	-	-	-	-	-	-	100
		31st December, 2017	31st December, 2017	₹	0.75	-0.75	-	-	-	-	-	-	-	-	100
Chemical Limes Mundwa Private Limited	10/20/2007	**31st December, 2018**	**31st December, 2018**	₹	5.14	-4.65	1.76	1.27	-	-	-0.26	-	-0.26	-	100
		31st December, 2017	31st December, 2017	₹	5.14	-4.39	1.82	1.07	-	-	-0.23	-	-0.23	-	100
Dirk India Private Limited	9/2/2011	**31st December, 2018**	**31st December, 2018**	₹	2.08	-34.26	24.48	56.66	-	10.14	-0.81	0.1	-0.91	-	100
		31st December, 2017	31st December, 2017	₹	2.08	-33.51	22.36	53.79	-	7.11	-2.85	-	-2.85	-	100
Dang Cement Industries Private Limited	5/6/2011	**31st December, 2018**	**31st December, 2018**	Nepalese Rupee	13.84	-5.65	8.19	-	-		-0.1	-	-0.1	-	91.63
		31st December, 2017	31st December, 2017	Nepalese Rupee	13.84	-5.54	8.3	-	-	-	-0.13	-	-0.13	-	91.63
ACC Limited (1)	8/12/2016	**31st December, 2018**	**31st December, 2018**	₹	187.99	10,343.91	16,055.95	5,521.02	104.1	14,477.47	1,510.11	-10.51	1,520.62	316.95	50.05
		31st December, 2017	31st December, 2017	₹	187.99	9,167.86	14,845.74	5,487.01	94.86	12,909.00	1,310.06	385.55	924.51	339.02	50.05
Oneindia BSC Private Limited (1 & 2)	8/13/2015	**31st December, 2018**	**31st December, 2018**	₹	2.5	3.54	10.37	4.33	-	23.05	2.02	0.43	1.6	-	50
		31st December, 2017	31st December, 2017	₹	2.5	1.96	8.25	3.79	-	20.42	1.97	0.65	1.32	-	50

B) Joint Ventures company ₹ in crore

Name	Date of acquisition	Financial year ending on	Shares of Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / (loss)		
			No.	Reporting Currency	Amount of investment in Joint Venture				For the Year	Considered in Consolidation	Not Considered in Consolidation
Counto Microfine Private Limited	8/1/2011	31st December, 2018	8,319,722	₹	16.16	Refer note (3)	Not applicable	37.09	7.57	3.78	3.79
		31st December, 2017	9,010,002	₹	17.5			32.9	6.11	3.06	3.05

Notes

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

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

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

4) Dividend and tax thereon represents, amount declared by ACC Limited for year ended 31st December, 2018.

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

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

Shailesh Haribhakti
Director
DIN - 00007347

Christof Hassig
Director
DIN - 01680305

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Haigreve Khaitan
Director
DIN - 00005290

Roland Kohler
Director
DIN - 08069722

Martin Kriegner
Director
DIN - 00077715

Omkar Goswami
Director
DIN - 00004258

Jan Jenisch
Director
DIN - 07957196

Report on Corporate Governance

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

1. Corporate Governance

1.1 Company's Philosophy on Corporate Governance:

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

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

1.2 The Governance Structure:

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

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

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

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

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

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

1.3 The Compliance Framework:

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

2. Board of Directors

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

2.1 Composition and Board Diversity:

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

As at the end of corporate financial year 2018, the total Board strength comprises of the following:

Non-Independent – Non-Executive Directors		
Non-Executive Chairman	1	
Promoter Directors	4	
Other Non-Executive Director	1	
		6
Independent Directors		5
Non-Independent and Executive – (Managing Director and CEO)		1
Total Strength		**12**

Note: (i) None of the Directors have any inter-se relationship among themselves and with any employees of the Company. (ii) Woman Director on the Board, viz. Ms. Usha Sangwan, representing LIC resigned w.e.f. 21st December, 2018 and Ms. Then Hwee Tan has been appointed as an Woman Director w.e.f. 18th February, 2019. More details are given in the Directors Report.

2.2 Selection, Appointment and Tenure of Director:

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

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

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

2.3 Directors' Profile

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

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

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

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

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

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

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

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

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

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

He joined the Board on 24th October, 2017 and is the Vice Chairman of the Board.

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

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

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

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

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

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

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

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

Mr. Shailesh Haribhakti an eminent Chartered Accountant is the Chairman of Haribhakti and Co. LLP (Chartered Accountants); New Haribhakti Business Services LLP and Mentorcap Management Pvt. Ltd.

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

He is currently Non-Executive Chairman of L and T Finance Holdings Ltd., L and T Mutual Fund and Future Lifestyle Fashions Ltd. He currently serves on the Boards of several large Multinational and Indian Companies and is also a member of several Advisory Boards.

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

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

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

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

Dr. Goswami joined the Board in July, 2006. He is a member of the Audit Committee, Risk Management Committee and the Compliance Committee.

(vii) Mr. Haigreve Khaitan (DIN: 00005290) (Non-Executive, Independent Director)

Mr. Haigreve Khaitan is a Partner at Khaitan and Co, one of India's oldest full service law firms. He started his career in litigation and has over the years been involved in some of India's landmark MandA's, Private Equity and Project Finance transactions. He has extensive experience of advising on all aspects of Mergers and Acquisitions, Corporate Restructuring, Demergers, Spin-offs, Sale of Assets, Foreign Investments, Joint Ventures and 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 and Partners, Legal 500, Asialaw and IFLR 1000 as one of the leading lawyers in India. India Business Law Journal has ranked him in India's top 100 lawyers (the A-List). He is on the Board of some of the large public listed companies.

Mr. Khaitan joined the Board in July, 2012. He is the Chairman of the Compliance Committee and the member on the Stakeholders' Relationship Committee. Mr. Khaitan expressed that he does not wish to be re-appointed as an Independent Director upon expiry of his first term as Independent Director at the forthcoming Annual General Meeting.

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

Mr. Hassig is a Swiss national and a professional banker with Masters in Banking and the Advanced Management Program from Harvard Business School. He is currently the Head of the Corporate Strategy and Mergers and Acquisitions function at LafargeHolcim Ltd. Before joining the erstwhile Holcim Ltd., Mr. Hassig worked for over twenty five years at

UBS in different functions including global relationship manager and investment banker. In erstwhile Holcim, he has worked in corporate finance and treasury functions for over fifteen years. In 2013, he took over the additional responsibility as Head of Mergers and Acquisitions.

Mr. Hassig joined the Board in December, 2015.

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

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

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

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

Mr. Kohler joined the Board in February, 2018.

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

Mr. Martin Kriegner is an Austrian national and has joined the Executive Committee of the LafargeHolcim Group in August 2016 and is responsible for India and South East Asia and since January 2018 also for the Australia and New Zealand operations. He is a graduate from the Vienna University with a Doctorate in Law and obtained an MBA at the University of Economics in Vienna. Mr. Kriegner joined Lafarge in 1990 and became the CEO of Lafarge Perlmooser AG, Austria in 1998. He moved to India as the CEO of the Lafarge's Cement operations in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur. In 2012, he was appointed CEO of Lafarge India for the Cement, RMX and Aggregates business. In July 2015, he became Area Manager-Central Europe for the LafargeHolcim operations and was appointed Head of India effective March 1, 2016.

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

(xi) Mr. B. L. Taparia (DIN: 00016551) (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 possesses more than 43 years of working experience in the fields of Legal, Secretarial, Finance, Taxation, Procurement, Internal Audit, HR, Health and Safety, and Sustainability. He joined the Company in the year 1983 as Deputy Company Secretary. After working at different positions in the Company, he was promoted as the Whole-time Director in the year 1999, the position which he served till 2009. Throughout his career in Ambuja Cements, he was member of the Core Management Committee responsible for the growth of the Company. Mr. Taparia superannuated from the Company in July, 2012. He re-joined the Board in September, 2012.

Mr. Taparia is also an Independent Director on the Board of Everest Industries Ltd.

He is a member on the Stakeholders Relationship Committee, CSR and Sustainability Committee and Compliance Committee. He is a permanent invitee at the Audit Committee meeting.

Mr. Taparia has expressed that he does not wish to be re-appointed as a Director upon his retirement by rotation at the forthcoming Annual General Meeting.

(xii) **Mr. Ajay Kapur (DIN: 03096416) (Executive, Non-Independent, Managing Director and CEO)**

Mr. Ajay Kapur is an economics graduate. He holds a master's in management degree with specialisation in marketing and an Advanced Management Program degree from Wharton Business School, USA. He joined the company in 1993 as an Executive Assistant to the then Managing Director and Founder, Mr. N. S. Sekhsaria. From there, he acquired various strategic positions within the organisation in last two decades and in April 2014, he was elevated as the Managing Director and Chief Executive Officer of the Company.

Today, he is an accomplished business leader with an extensive experience in the cement industry. Mr Kapur has been instrumental in leading several excellence programs during his tenure, mainly the transformation journey of Ambuja Cements in the field of cost leadership and customer excellence. He puts a strong focus on sustainable development within the company and under his leadership, Ambuja Cements has been recognized for its sustainability initiatives and won several accolades from apex bodies.

While his forte lies in driving business impacts, he is also actively involved in various international and national forums such as CSI-WBCSD, NCBM and CII.

Mr. Kapur joined the Board in July 2013. He is a member of the CSR and Sustainability Committee, Risk Management committee, Compliance Committee, Stakeholders Relationship Committee and a Permanent Invitee of Audit Committee and Nomination and Remuneration Committee.

Mr. Kapur has resigned as MD and CEO w.e.f. 1st March, 2019.

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

(i) Meetings:

The Board generally meets 5 times during the year and the maximum interval between any two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The yearly calendar of the meetings is finalized before the beginning of the year. Additional meetings are held when necessary. The Directors are also given an option of attending the board meeting through video conferencing. The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The information as specified in the Listing Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration. The Senior Management of the Company make timely disclosure to Board relating to all material, financial and commercial transactions.

During the year ended on 31st December, 2018, the Board of Directors had 7 meetings. These were held on 20th February, 2018, 26th February, 2018, 18th April, 2018, 4th May, 2018, 25th July, 2018, 23rd October, 2018 and 12th December, 2018. The last Annual General Meeting (AGM) was held on 15th June, 2018. The attendance record of the Directors at the Board Meetings during the year ended on 31st December, 2018, and at the last AGM is as under:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. N. S. Sekhsaria	Chairman, Non-Executive Non-Independent	7	No
2.	Mr. Jan Jenisch	Vice Chairman, Non-Executive, Non-Independent	1	No

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
3.	Mr. Nasser Munjee	Independent	6	Yes
4.	Mr. Rajendra Chitale	Independent	7	No
5.	Mr. Shailesh Haribhakti	Independent	6	No
6.	Dr. Omkar Goswami	Independent	6	Yes
7.	Mr. Haigreve Khaitan	Independent	7	No
8.	Ms. Usha Sangwan*	Non-Executive, Non-Independent	2	No
9.	Mr. Christof Hassig	Non-Executive, Non-Independent	7	No
10.	Mr. Martin Kriegner	Non-Executive, Non-Independent	7	No
11.	Mr. Roland Kohler	Non-Executive, Non-Independent	3 of 6	No
12.	Mr. B. L. Taparia	Non-Executive, Non-Independent	5	Yes
13.	Mr. Ajay Kapur	Managing Director and CEO	7	Yes

* Resigned w.e.f. 21st December, 2018

(ii) Separate Meeting of Independent Directors:

The Independent Directors met amongst themselves without the presence of the Company executives on 18th April, 2018 and 11th December, 2018 respectively. At the December, 2018 meeting, the Independent Directors reviewed the performance of Non-Independent Directors (including the Chairman) and the entire Board and the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

(iii) Agenda:

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

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

(iv) Invitees and Proceedings:

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

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

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

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

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

(vi) Support and Role of Company Secretary:

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

(vii) Compliance Officer:

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

2.5 Other Directorships etc.:

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

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and Section 8 Companies) held by the Directors as on 31st December, 2018, are given below:-

Sr. No.	Name of the Director	Other Directorships[1]	Committee Positions in India[2]	
			Chairman	Member
1.	Mr. N. S. Sekhsaria	2	Nil	Nil
2.	Mr. Jan Jenisch	1	Nil	Nil
3.	Mr. Nasser Munjee	7	5	Nil
4.	Mr. Rajendra Chitale	7	3	4
5.	Mr. Shailesh Haribhakti	9	5	5
6.	Dr. Omkar Goswami	7	Nil	6

Sr. No.	Name of the Director	Other Directorships[1]	Committee Positions in India[2]	
			Chairman	Member
7.	Mr. Haigreve Khaitan	8	3	5
8.	Mr. Christof Hassig	1	Nil	Nil
9.	Mr. Martin Kriegner	1	Nil	1
10.	Mr. Roland Kohler	Nil	Nil	Nil
11.	Mr. B.L. Taparia	1	1	Nil
12.	Mr. Ajay Kapur	1	Nil	Nil

[1] Includes Directorships of Indian Public limited companies other than Ambuja Cements Limited.

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

2.6 Induction and Familiarization Program for Directors:

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

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

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

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

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

Directors' Forum:

A Directors' Forum was held in November, 2018, where in Mr. Nandan Nilekani, Chairman-Infosys Limited, was invited to apprise the Directors and the senior leadership team of the Company on the developments and current trends in the area of Information Technology and in particular the manner in which data analytics could be used for leveraging business and was followed by an interactive session.

Directors' visit to the Research & Development Centre of LafargeHolcim Group:

With a view to familiarize the Board of Director with the research and development activities of LafargeHolcim group, the majority of the Directors visited the group's Research & Development centre at Lyon in France in June, 2018.

The Directors were given a demonstration of the product development and other research and development activities carried out at the centre, which was followed by a meeting with the group CEO and knowledge sharing session with the top executives on various key topics such as ready mix concrete, aggregates, product design and development, Geocycle activities etc. The Directors were highly impressed with the very insightful tour and great learning experience, which has changed their general perception of the cement industry.

The details of familiarization program can be accessed from the Investor Tab on the website of the Company at: https://www.ambujacement.com/Upload/PDF/familiarisation-programme-for-independent-directors-jan-2019.pdf

2.7 Board Evaluation:

With the introduction of the Board Evaluation in the Companies Act, 2013, Ambuja's Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. During the year under review, an external consultant was also engaged for reviewing the Company's present evaluation process including the evaluation templates. After detailed review, they found the process to be satisfactory. However, they had suggested re-organization of the templates and the rating matrix coupled with the inclusion of few new criteria's in line with the guidelines under the Listing Regulations and Secretarial Standards.

Further, to maintain highest level of confidentiality and to smoothen the process, the evaluation exercise was carried out using a web based application developed by the IT arm of the Company.

More details on the methodology followed along with the criteria for performance evaluation are provided in the Directors Report.

2.8 Code of Conduct:

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

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

All the Board members and senior management personnel have confirmed compliance with the code during the year 2018. A declaration to that effect signed by the Managing Director and CEO is attached and forms part of the Annual Report of the Company.

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

2.9 Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mr. Rajiv Gandhi, Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

3. Committees of the Board:

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

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

3.1 Audit Committee

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

A. Composition and Meetings:

The Audit Committee had 7 meetings during the year 2018. The attendance of each committee member was as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent	7
2.	Mr. Nasser Munjee	Independent	6
3.	Dr. Omkar Goswami	Independent	6
4.	Mr. Martin Kriegner	Non-Independent	4

As Mr. Rajendra Chitale, Chairman of the Audit Committee was travelling abroad, he could not attend the last Annual General Meeting, In his absence, Mr. Nasser Munjee was authorised to represent him, for answering the shareholders queries.

B. Invitees / Participants:

1. The M.D. and CEO and Mr. B. L. Taparia, Director 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 related issues that comes up during the discussions.
3. During the year under review, the representatives of the Statutory Auditors have attended all the Audit Committee meetings, where Financial Results were approved and Direct and Indirect Tax matters were reviewed.
4. The representatives of the Cost Auditors have attended 1 (one) Audit Committee Meeting when the Cost Audit Report was discussed.
5. The CFO and the Heads of Manufacturing, Marketing and Logistics also attends the Committee meetings to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc. Other executives are invited to attend the meeting as and when required.
6. The Committee also invites the representatives of LafargeHolcim group's internal audit department to attend the Audit Committee meetings for review of the special

audit projects as and when undertaken by them and also to get their valuable support and guidance on the international best practices in internal audit and strengthening of internal controls.

C. Private Meetings:

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

D. Terms of Reference:

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

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

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

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

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

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

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

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

(vi) Qualification in draft audit report.

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

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

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

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

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

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

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

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

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

E. Other Matters:

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

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

3.2. 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 regimes for sustainable business operations. With this object, a structured mechanism for ensuring full compliance of various statutes, rules and regulations has been put in place and a separate Committee of Directors by the name "Compliance Committee" has been constituted by the Board.

A. Composition and Meetings:-

The Committee consists of the members as stated below. During the year ended 2018, 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)	Independent	4
2.	Mr. Shailesh Haribhakti	Independent	3
3.	Dr. Omkar Goswami	Independent	4
4.	Mr. B. L. Taparia	Non-Independent	4
5.	Mr. Ajay Kapur	Managing Director and CEO	3

B. Invitees / Participants:

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

C. Terms of Reference:

The terms of reference of the Committee are to:

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

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

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

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

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

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

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

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

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

3.3. Nomination and Remuneration Committee

A. Composition and Meetings:

The Nomination and Remuneration Committee comprises the members as stated below. The Committee during the year ended on 31st December, 2018 had 5 meetings. The attendance of the members was as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Nasser Munjee (Chairman)	Independent	4
2.	Mr. N. S. Sekhsaria	Non-Independent	5
3.	Mr. Shailesh Haribhakti	Independent	4
4.	Mr. Martin Kriegner	Non-Independent	5

B. Invitees/Participants:

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

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

The Committee is empowered to -

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

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

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

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

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

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

D. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees.

<u>Remuneration of Non-Executive Directors</u>

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies Managerial Remuneration Rules, 2014.

ii. A Non-Executive director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee.

iii. The Nomination and Remuneration Committee may recommend to the Board, the payment of commission on uniform basis to reinforce the principles of collective responsibility of the Board.

iv. The Nomination and Remuneration Committee may recommend a higher commission for the Chairman of the Board of Directors taking into consideration his overall responsibility.

v. In determining the quantum of commission payable to the Directors, the Nomination and Remuneration Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

vi. The Nomination and Remuneration Committee may recommend to the Board, for the payment of additional commission to those Directors who are Members on the Audit Committee and the Compliance Committee of the Board subject to a ceiling on the total commission payable as may be decided.

vii. In addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission as may be recommended to the Board by the Nomination and Remuneration Committee.

viii. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company.

ix. The Commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

x. The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

Remuneration of Managing Director and CEO

i. At the time of appointment or re-appointment, the Managing Director and CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the Managing Director and CEO within the overall limits prescribed under the Companies Act.

ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

iii. The remuneration of the Managing Director and CEO is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retrial benefits. The variable component shall comprise of performance bonus.

iv. In determining the remuneration (including the fixed increment and performance bonus) the Nomination and Remuneration Committee shall consider the following:

    a. the relationship of remuneration and performance benchmarks is clear;

    b. balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

c. responsibility required to be shouldered by the Managing Director and CEO and the industry benchmarks and the current trends;

d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Remuneration of Senior Management Employees

i. In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination and Remuneration Committee shall consider the following:

   a. the relationship of remuneration and performance benchmark is clear;

   b. balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

   c. the remuneration is divided into two components viz. Fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive;

   d. the remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

ii. The Managing Director and CEO will carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned hereinabove, recommends the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

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

E. Details of Remuneration Paid to the Directors

Remuneration to Directors:

(a) The Non-Executive Directors are paid sitting fees of ₹ 50,000/- per meeting for attending the Board, Audit Committee and the meeting of the Special Committee of Directors and ₹ 30,000/- per meeting for attending other committee meetings. The CSR and Sustainability Committee members have unanimously decided not to accept any sitting fees for the CSR and sustainability Committee meeting to be attended by them.

In addition to the sitting fees, the Company also pays commission to the Non-Executive Directors for their overall engagement and contribution for the Company's business. The Commission is paid on a uniform basis to reinforce the principle of collective responsibility. Accordingly, the Company has provided for payment of commission of ₹ 20 lacs to each of the Non-Executive Directors who were in office for the whole of the financial year 2018 and on pro-rata basis to those who were in office for part of the year.

Considering the accountability and the complexities of issues handled by the Audit and Compliance Committees respectively, the Company has provided additional commission of ₹ 16 lacs for each of the Non-Executive Member Directors of the

Audit Committee and Compliance Committee who were in office for the whole of the financial year 2018 and on pro-rata basis to those who were in office for part of the year. The maximum commission payable to each Non-Executive Director has however been capped at ₹ 36 lacs per Director.

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

None of the Directors hold any convertible instruments.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Directors during the year ended on 31st December, 2018 are given below:-

(₹ in Lakhs)

Sr. No.	Name of the Director	Remuneration	Sitting Fees	Commission	No. of Shares held
1.	Mr. N. S. Sekhsaria	Nil	5.50	50.00	1,000
2.	Mr. Jan Jenisch	Nil	0.50	20.00	Nil
3.	Mr. Nasser Munjee	Nil	8.90	36.00	Nil
4.	Mr. Rajendra Chitale	Nil	11.70	45.00	Nil
5.	Mr. Shailesh Haribhakti	Nil	6.60	36.00	Nil
6.	Dr. Omkar Goswami	Nil	8.30	36.00	Nil
7.	Mr. Haigreve Khaitan	Nil	6.50	36.00	Nil
8.	Ms. Usha Sangwan	Nil	1.00	19.40	Nil
9.	Mr. Christof Hassig	Nil	4.00	20.00	Nil
10.	Mr. Martin Kriegner	Nil	5.40	Nil	Nil
11.	Mr. Roland Kohler (w.e.f. 20.02.2018)	Nil	1.50	17.26	Nil
12.	Mr. B. L. Taparia@	131.00	6.40	Nil	207284
13.	Mr. Ajay Kapur, MD and CEO #$$	1096.35	Nil	Nil	285500
	TOTAL	**1227.35**	**66.30**	**315.66**	**493784**

@ The Board has extended the advisory services agreement of Mr. B. L. Taparia for a year from 1st November, 2018 at service fee at ₹ 5.50 Lakhs p.m.

Appointment of MD and CEO is governed by a service contract for a period of 5 years and the notice period of 3 months. His remuneration includes basic salary, performance bonus, allowances, contribution to provident, superannuation and gratuity funds and perquisites (including monetary value of taxable perquisites) etc.

$$ The amount of remuneration of the MD and CEO for the year 2018 shown herein above does not include the amount of Performance Incentive (Bonus) for FY 2018.

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

3.4. Stakeholder's Relationship Committee

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

Composition and Meetings:

The Committee is headed by Mr. Rajendra Chitale, Independent Director and consists of the members as stated below. During the year ended on 31st December, 2018, this Committee had 4 meetings which were attended by the members as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent	4
2.	Mr. Haigreve Khaitan	Independent	4
3.	Mr. B. L. Taparia	Non – Independent	3
4.	Mr. Ajay Kapur	Managing Director and CEO	4

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

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

Nature of Complaints	Opening	Received 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	37	37	Nil
Demat Queries	Nil	Nil	Nil	Nil
Miscellaneous Complaints	Nil	Nil	Nil	Nil
TOTAL	**Nil**	**37**	**37**	**Nil**

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

Over and above the aforesaid complaints, the Company and its Registrar and Share Transfer Agent have received around 9,340 letters / queries / requests on various matters such as change of address, change of bank particulars, ECS mandate, nomination request etc. and we are pleased to report that except for requests received towards the year end which are under process, all other queries / requests have been replied on time.

3.5. CSR and Sustainability Committee

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

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

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

A. Composition and Meetings:

The Committee is headed by the Board Chairman, Mr. N. S. Sekhsaria and consists of the members as stated below. During the year ended on 31st December, 2018, this Committee had 3 meetings which were attended by the members as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. N. S. Sekhsaria (Chairman)	Non-Independent	3
2.	Mr. Nasser Munjee	Independent	3
3.	Mr. Rajendra Chitale	Independent	3
4.	Mr. Martin Kriegner	Non-Independent	2
5.	Mr. B. L. Taparia	Non-Independent	3
6.	Mr. Ajay Kapur	Managing Director and CEO	3

B. Terms of Reference:

The Terms of Reference of the Committee are to:-

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

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

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

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

3.6 Risk Management Committee

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

A. Composition and Meetings:

During the year ended on 31st December, 2018, this Committee had 2 meetings which were attended by the members as under:-

Sr. No.	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent	2
2.	Mr. Nasser Munjee	Independent	2
3.	Mr. Shailesh Haribhakti	Independent	1
4.	Dr. Omkar Goswami	Independent	1
5.	Mr. Ajay Kapur	Managing Director and CEO	2

B. **Terms of Reference:**

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

The Terms of Reference of the Committee are to:-

a) review the framework of Business Risk Management process;

b) risk identification and assessment;

c) review and monitoring of risk mitigation plans

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

3.7 Other Committees of Directors

In addition to the above referred Committees which are mandatory under the Companies Act, the Listing Regulations, 2015 and under the SEBI Guidelines, the Board of Directors has constituted the following Committees of Directors to look into various business matters :-

(A) 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. 6 committee meetings were held during the year 2018. The committee comprises of Mr. Rajendra Chitale - Chairman, Mr. Shailesh Haribhakti, Mr. B. L. Taparia and Mr. Ajay Kapur as the Members.

(B) Capex Committee

The large CAPEX needs critical evaluation of all the aspect of the projects. The detailed engineering, the profile of equipment suppliers, cost estimates and contingencies, schedule of implementation and safety and security of people are some of the critical areas where focused appraisal is required at the highest level. The Committee comprises of Mr. Martin Kriegner - Chairman, Mr. Nasser Munjee and Mr. Rajendra Chitale as the Members. Mr. Ajay Kapur - Managing Director and CEO and Mr. M. L. Narula (former Managing Director of ACC Ltd.) are the permanent invitees for all the Committee meetings.

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

(C) Special Committee of Directors

A Special Committee of Directors, with majority of them being Independent, was constituted by the Board in 2017 to explore the possibility of Merger between the Company and ACC Limited (Subsidiary of the Company) which could enable both the companies to combine their strengths of business so as to benefit all the stakeholders.

During the year ended on 31st December, 2018, the Committee had 1 meeting which was attended by all the members.

4. Vigil Mechanism and Ethical View Policy:

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

The main objectives of the policy are:

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

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

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

(iv) To promote ACL's zero tolerance compliance approach.

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

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

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

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

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

ii) Mr. Sanjay Khajanchi (Head – Corporate Controlling) – Member

iii) Mr. A. J. Pandya, Advisor – Member

iv) Mr. Prabhakar Mukhopadhay – Chief Internal Auditor – Member

The Company Secretary acts as the Response Manager and Secretary to the Committee. The EVC is responsible for the following:

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

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

(iii) order investigation of any case either 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 and procedure and review of internal control systems;

(v) annual review of the policy.

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

During the year 2018, a total of 31 complaints have been filed. Of these, 10 complaints were pre-assessed by the EVC Committee but did not warrant further investigation. 19 complaints were investigated and concluded whereas 2 complaint are still under investigation. The cases investigated were mainly of the nature of alleged bribery / kickbacks, theft, violation of Code of Conduct etc. The financial impact of these cases was insignificant and caused no damage to the Company.

5. General Body Meetings

(i) Annual General Meeting (AGM):

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

Financial Year/ AGM	Venue of AGM	Date, Day and Time	Whether Special Resolution passed
2015 33rd AGM	At the Registered Office at Ambujanagar, Kodinar, Gujarat	14th April, 2016 (Thursday) at 10.30 am	Yes
2016 34th AGM		31st March, 2017 (Friday) at 10.30 am	Yes
2017 35th AGM		15th June, 2018 (Friday) at 10.30 a.m.	No

(ii) Postal Ballot:

The Company successfully completed the process of obtaining approval of its Members on an ordinary resolution during the year 2018. The details of these resolutions along with the voting pattern are as follows:

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Votes Cast	Votes Dissenting the Resolution	% of Votes Cast
Approval of Related party transactions with ACC Limited	535638983	482997772	90.17	52641211	9.83

The Promoter and Promoter group, being interested in this resolution, abstained from voting on the above resolution.

<u>Scrutinizer for the Postal Ballot exercise:-</u>

Mr. Surendra Kanstiya, Practising Company Secretary, Mumbai was appointed to act as the scrutinizer for conducting the postal ballot and e-voting.

<u>Procedure for Postal Ballot:</u>

i. The Board of Directors of the Company, vide resolution dated 26th February, 2018 had appointed Mr. Surendra Kanstiya as the scrutinizer.

ii. The Company had completed the dispatch of the Postal Ballot Notice dated 26th February, 2018 together with Explanatory Statement on 16th March, 2018 along with form and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members/list of beneficiaries as on 2nd March, 2018.

iii. The voting under the Postal Ballot was kept open from 17th March, 2018 to 15th April, 2018 (either physically or through electronic mode).

iv. Particulars of Postal Ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.

v. The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

vi. All Postal Ballot forms received by the Scrutinizer upto 5 p.m. on 15th April, 2018 had been considered for his scrutiny. Postal Ballot forms received after the date had not been considered.

vii. On 16th April, 2018, the Chairman announced the above results of the Postal Ballot as per the Scrutinizer's Report.

6. Disclosures

1. Transactions with related parties, as per requirements of Indian Accounting Standard-24, are disclosed in notes to accounts annexed to the financial statements.
2. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or subsidiaries that had potential conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at https://www.ambujacement.com/Upload/PDF/policy_on_determining_materiality_of_rpt_28_oct_2015_revised.pdf
3. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.
4. 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.
5. 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.
6. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. The details of the Risk Management Committee are provided at point no. 3.6 of this report.
7. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and the Listing Regulations, 2015.
8. The Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 (relating to disclosure on the website of the Company).
9. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

7. CEO / CFO Certification

The MD and CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

8. Discretionary Requirements under Regulation 27 of Listing Regulations, 2015

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations, 2015 with Stock Exchanges is provided below:

8.1 **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director and CEO. However, the same is maintained by the Chairman himself.

8.2 **Shareholders' Rights:** As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

8.3 **Modified Opinion in Auditors Report:** The Company's financial statements for the year 2017 do not contain any modified audit opinion.

8.4 **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director and CEO.

8.5 **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee and he participates in the meetings of the Audit Committee and presents his internal audit observations to the Audit Committee

9. Means of Communication

Financial results: The Company's quarterly, half yearly and annual financial results are sent to the Stock Exchanges and published in 'Financial Express' and other newspapers. Simultaneously, they are also uploaded on the Company's website (www.ambujacement.com)

News releases, presentations, etc.: Official news releases and official media releases are sent to Stock Exchanges and are displayed on Company's website (www.ambujacement.com).

Presentations to institutional investors / analysts: These presentations and Schedule of analyst or institutional investors meet are also uploaded on the Company's website (www.ambujacement.com) as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in the presentation made to institutional investors and financial analysts.

Website: The Company's website (www.ambujacement.com) contains a separate dedicated section 'Investors' where shareholders' information is available. The Company's Annual Report is also available in downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MDandA) Report and the abridged version of the Company's maiden Integrated Report forms part of the Annual Report.

Chairman's Communiqué: The Chairman's Letter forms part of the Annual Report.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically on NEAPS.

BSE Corporate Compliance and Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Reminder to Investors: Reminders to the shareholders are sent for claiming returned undelivered shares certificates, unclaimed dividend investor complaints etc.

10. General Shareholders' Information

10.1 Annual General Meeting:

Day and Date	:	Friday, 29th March, 2019
Time	:	10.30 a.m.
Venue	:	P.O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat - 362 715. (Registered Office of the Company)

10.2 Financial Calendar:

The Company follows the period of 1st January to 31st December, as the Financial Year.

First quarterly results	:	April, 2019
Second quarterly / Half yearly results	:	July, 2019
Third quarterly results	:	October, 2019
Annual results for the year ending on 31st December, 2019	:	February, 2020
Annual General Meeting for the year ending on 31st December, 2019	:	April, 2020

10.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 1st March, 2019 till Friday, the 8th March, 2019 (both days inclusive) for payment of final dividend.

10.4 Dividend Payment Date:

Dividend shall be paid to all the eligible shareholders from 9th April, 2019 onwards.

10.5 Dividend Policy:

The first issue of shares was made by the Company in the year 1985 at ₹10/- per share. Presently, the face-value of the equity shares is ₹2/- per share. Company is paying dividend from its very first full year of operation. From a modest dividend of 11% in 1987-88, the Company has been increasing dividend almost every year. For the Finacial year 2018, the Board has recommended a final dividend of ₹ 1.50 per share (75 %). During the last 5 years, the Company has usually been maintaining the pay-out ratio of more than 50%. The Board of Directors have framed a Dividend Policy which is posted on the website of the Company.

10.6 Dividend history for the last 5 years is as under:

Financial year	Interim Dividend Rate (%)	Final Dividend Rate (%)	Total Dividend Rate (%)	Dividend Amt. (₹ in Crores)
2013	70	110	180	556.34
2014	90	160	250	774.61
2015	80	60	140	434.53
2016	80	60	140	486.58
2017	80	100	180	714.83

Note: The above dividend amount excludes the Dividend Distribution Tax.

10.7 Listing of Shares and Other Securities:

A. Equity Shares

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

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

B. Debentures

There are no outstanding debentures.

C. **GDRs**

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

D. **ISIN Code for the Company's equity share :**

INE079A01024

E. **Corporate Identity Number (CIN) :**

L26942GJ1981PLC004717

10.8 Listing Fees:

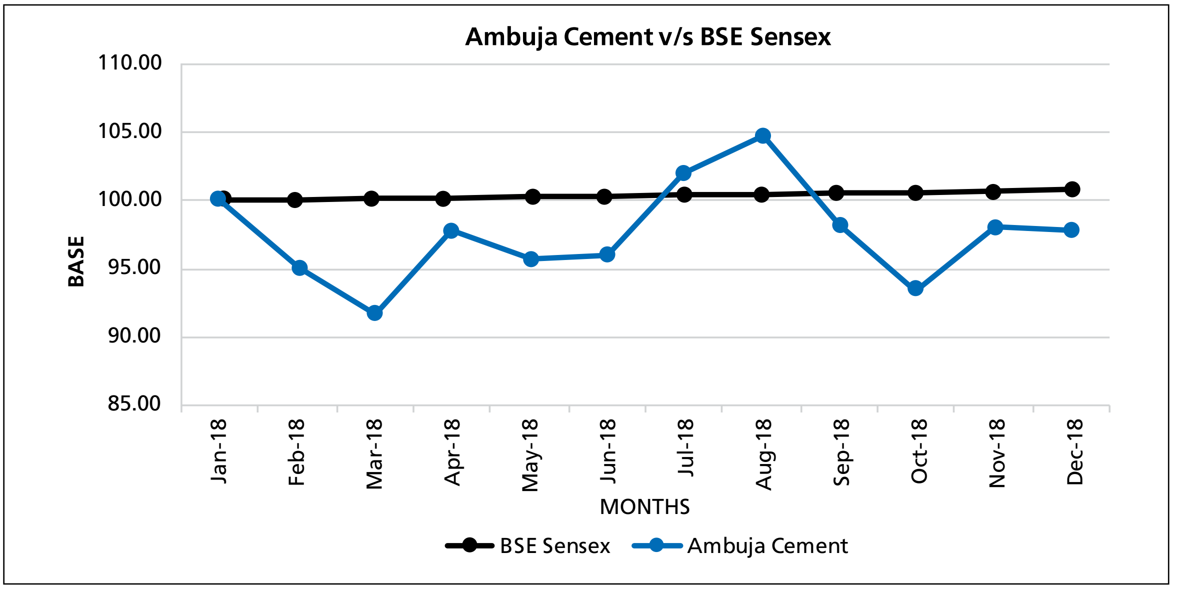
The Company has paid listing fees up to 31st March, 2019 to the Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

10.9 Market Price Data:

The high / low market price of the shares during the year 2018 at the Bombay Stock Exchange Limited and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January-18	280.00	257.30	280.00	257.15
February-18	269.00	240.15	269.70	245.55
March-18	256.00	223.50	256.25	223.00
April-18	252.40	232.65	252.75	231.55
May-18	251.70	202.25	251.75	204.25
June-18	215.40	195.65	215.15	195.55
July-18	231.00	189.15	231.70	189.00
August-18	243.40	220.00	243.45	220.20
September-18	245.25	208.60	245.40	208.20
October-18	227.50	188.50	227.85	188.35
November-18	221.25	197.05	221.65	197.20
December-18	230.25	203.00	230.65	200.25

10.10 Performance in comparison to broad based indices:



10.11 Share Transfer Agents:

The details of the Registrar and Share Transfer Agents are:

Link Intime India Pvt Ltd,

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

Vikhroli (West), Mumbai – 400 083.

Tel : +91-022-4918 6000; Fax: +91-022-4918 060 Email:rnt.helpdesk@linkintime.co.in.

10.12 Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agents in 15 days of receipt of the documents, provided the documents are found to be in order. Shares under objection are returned within two weeks. The Stakeholders Relationship Committee considers the transfer proposals generally on a weekly basis.

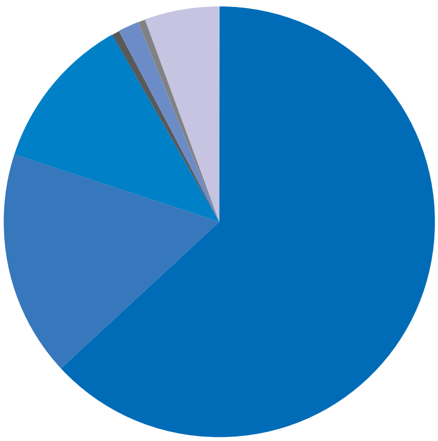
10.13 Distribution of Shareholding:

The shareholding distribution of the equity shares as on 31st December, 2018 is given below:-

No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage
Less than 50	93790	2153272	0.11
51 to 100	27793	2451950	0.12
101 to 500	28762	7392060	0.37
501 to 1000	7622	5983550	0.30
1001 to 5000	13294	34713337	1.75
5001 to 10000	2522	18138253	0.91
10001 to 50000	1600	31249689	1.57
50001 to 100000	144	10140542	0.52
100001 to 500000	222	47901973	2.41
500001 and above	161	1825520603	91.94
TOTAL	175910	1985645229	100.00

10.14 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st December, 2018 is given below:-



Category	No. of Shares	Percentage (%)
Foreign Promoters	1253156361	63.11
Foreign Investors (FIIS)	336690989	16.95
Mutual Fund Banks and Institution	231499420	11.66
Ocb Nris	11350171	0.57
Body Corporates	30912757	1.56
Gdr	10848928	0.55
Others	111186603	5.60
Total	1985645229	100.00

10.15 Dematerialisation of Shares:

About 99.25% of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31st December, 2018.

10.16 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

10.17 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, 10848928 GDRs are outstanding as on 31st December, 2018 which is listed on the Luxembourg Stock Exchange. The underlying shares representing the outstanding GDRs have already been included in equity share capital. Therefore, there will be no further impact on the equity share capital of the Company.

(ii) The Company has issued warrants which can be converted into equity shares. The year-end outstanding position of the rights shares / warrants that are convertible into shares and their likely impact on the equity share capital is as under:-

A. Rights entitlement kept in abeyance out of the Rights Issue of equity shares and warrants to equity shareholders made in the year 1992

Sr. No.	Issue Particulars	Conversion rate (₹ per share)	Likely impact on full conversion (₹ in Crores)	
			Share Capital	Share Premium
(i)	139830 Right shares	*6.66	0.03	0.07
(ii)	186690 Warrants	*7.50	0.04	0.10
	TOTAL		0.07	0.17

(*) conversion price has been arrived after appropriate adjustment of split and bonus issues.

(iii) The diluted equity share capital of the Company upon conversion of all the outstanding convertible instruments will become ₹ 397.16 crores.

10.18 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The company does not have any exposure hedged through Commodity derivatives.

The company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged through plain vanilla forward covers.

10.19 Plant Locations:

Integrated Cement Plants

(i) Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat.

(ii) Darlaghat, District Solan, Himachal Pradesh.

(iii) Maratha Cement Works, Dist. Chandrapur, Maharashtra.

(iv) Rabriyawas, Dist. Pali, Rajasthan.

(v) Bhatapara, Dist. Raipur, Chhattisgarh.

Bulk Cement Terminals

(i) Muldwarka, District Gir Somnath, Gujarat.

(ii) Panvel, District Raigad, Maharashtra.

(iii) Cochin, Kerala.

(iv) Mangalore, Karnataka

Grinding Stations

(i) Rupnagar, 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.

10.20 Registered Office:

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

10.21 Address for Correspondence:

(a) **Corporate Office:** Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road, Andheri (East), Mumbai-400 059. Phone No: 022 – 40667000/ 66167000.

(b) **Exclusive e-mail id for Investor Grievances:** The following e-mail ID has been designated for communicating investors' grievances:- shares@ambujacement.com.

10.22 Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund

During the year under review, the final dividend amount for the year ended 31st December, 2010 and the interim dividend for the year 31st December, 2011 were transferred to the Investor Education and Protection Fund.

10.23 Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("Rules") all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF after complying with the procedure laid down under the Rules.

The Company in compliance with the aforesaid provisions and the Rules has transferred 29,00,420 equity shares of the face value of ₹ 2/- each belonging to 27,602 shareholders underlying the unclaimed dividends.. The market value of the shares transferred is ₹ 65.28 crore considering the share price as on 31st December, 2018.

Members are requested to take note that the company has also initiated the process for transfer of the shares underlying the unclaimed / unpaid final dividend declared for the financial year 2011, which is due for transfer to IEPF Account during April, 2019. Members may after completing the necessary formalities, claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF.

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

10.24 Disclosure relating to Demat Suspense Account/Unclaimed Suspense Account

In according with the Regulation 39 of the Listing Regulations 2015, shareholders whose certificates were returned undelivered and lying with the Company are to be transferred and held by the Company in the dematerialized mode in the "Unclaimed Suspense Account". These shares are released to the shareholders after the proper verification of their identity, once the request is received from the shareholders. The details of the shares held and released from the Suspense Account are as follows:-

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2018	2348	11,44,471
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during 2018	35	48296
Less: Number of shares Transferred to Investor Education and Protection Fund (IEPF)	274	17998
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2018	2039	10,78,177

The voting rights on these shares will remain frozen till the rightful owner claims the shares.

11. Subsidiary Companies

The Company does not have any material unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations, 2015.

The Company has framed the policy for determining material subsidiary and the same is disclosed on the Company's website. The web link is https://www.ambujacement.com/Upload/PDF/policy_for_determining_material_subsidiary_28_oct_2015_revised_.pdf

Accordingly, the requirement of appointment of Independent Director of the Company on the Board of Directors of the material unlisted subsidiary companies as per Regulation 24 of the Listing Regulations does not apply.

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.

Ajay Kapur
Managing Director & CEO

Mumbai, 14th February, 2019

M. D. & CEO / CFO Certification

The Board of Directors
Ambuja Cements Ltd.

We have reviewed the attached financial statements and the cash flow statement of Ambuja Cements Ltd. for the year ended 31st December, 2018 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,

Suresh Joshi
Chief Financial Officer

Ajay Kapur
Managing Director & CEO

Mumbai, 18th February, 2019

TO THE MEMBERS OF
Ambuja Cements Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 19th June, 2018.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Ambuja Cements Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st December, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st December, 2018.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm registration number: 117366W/W-100018

B. P. Shroff
Partner
Membership No. 034382

Mumbai, 18th February, 2019

Business Responsibility Report for the year 2018

In terms of Regulation 34 of the Listing Regulations

Now a days, business enterprises are increasingly seen as critical components of social system and they are considered accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance. This is all the more relevant for listed entities which, considering the fact that they have accessed funds from the public, have an element of public interest involved, and are obligated to make exhaustive continuous disclosures on a regular basis.

It is from this point of view that Regulation 34 of the Listing Regulations require the listed companies to submit as a part of their Annual report, a Business Responsibility Report describing the initiatives taken by them from an environmental, social and Governance perspective, in the format given under the Listing Regulations.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L26942GJ1981PLC004717
2. Name of the Company: AMBUJA CEMENTS LIMITED
3. Registered address: P. O. Ambujanagar, Taluka Kodinar, District Gir - Somnath, Gujarat- 362715
4. Website: www.ambujacement.com
5. E-mail id: secretarial@ambujacement.com
6. Financial Year reported: 01.01.2018 to 31.12.2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-Class	Description
239	2394	23941 23942	Manufacture of clinkers and cement

8. List three key products/services that the Company manufactures/provides (as in balance sheet): The key product that the Company manufactures is PORTLAND POZOLLANA CEMENT. We also produce Ordinary Portland Cement.
9. Total number of locations where business activity is undertaken by the Company
   i. Number of International Locations (Provide details of major 5): NIL
   ii. Number of National Locations: 82
10. Markets served by the Company –

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Equity Share Capital ₹ 397.13 Crores
2. Total Turnover ₹ 11356.76 Crores
3. Total profit after taxes ₹ 1487 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.

The Company has spent ₹ 53.46 Crores during the Financial Year 2018 on CSR activities. This amounts to 4.20% of Profit After Taxes (PAT) for the year 2018.

5. List of activities on which expenditure in 4 above has been incurred:-

All CSR activities conducted by the Company are in alignment with those identified under Schedule VII of Companies Act, 2013 and are listed as follows:

(Amount ₹ In Crore)

Sr. No.	CSR Project or activity identified under Schedule VII of Companies Act 2013	Sector in which the Project is covered	Expenditure incurred during the period
1	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Drinking Water, Agro based Livelihood, Animal Husbandry, Health, Sanitation.	18.62
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Education, Ambuja Manovikas Kendra, Ambuja Vidya Niketan, Skill And Entrepreneurship Development Institute (SEDI), Non Formal Education, Village Knowledge Centre.	14.36
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically background groups.	Women Empowerment, Female Feticide, Self Help Group, Federation.	1.67
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Non-Conventional, Biogas, Solar, Plantation, Water Resources, Watershed.	7.28
5	Rural development projects.	Rural Infrastructure Project	9.64
6	Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.	Contribution to Prime Minister's National Relief Fund.	0.29
7	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Sports	0.26
		Total	52.12
	Overheads	Overheads	**1.34**
			53.46

SECTION C: OTHER DETAILS

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

   Yes, the Company has 6 Subsidiary Companies as on 31st December, 2018.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

   No. The subsidiary companies do not participate in the BR initiatives of the parent Company.

   Out of the 6 subsidiary companies as on 31st December, 2018, three companies do not carry any business operations. ACC Ltd., a listed company has its own BR Initiatives.

   The business activities of the remaining subsidiary companies are not material in relation to the business activities of the Company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]:**

   No. The other entities with whom the Company does business with viz suppliers, distributors etc. 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/Directors responsible for implementation of the BR Policy/policies

   - DIN Number: 03096416
   - Name: Mr. Ajay Kapur
   - Designation: Managing Director & Chief Executive Officer

   b) Details of BR head

Sr. No.	PARTICULARS	DETAILS
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Mr. Rajiv Gandhi
3.	Designation	Company Secretary
4.	Telephone Number	022-40667059
5.	E-mail id	rajiv.gandhi@ambujacement.com

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

Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy / policies for.	Y	Y	Y	Y	–	Y	–	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	–	Y	–
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	–	Y	–
4	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	–	Y	–	Y	–
5	Does the company have a specified committee of the Board / Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	–	Y	–

Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
6	IIndicate the link for the policy to be viewed online? www.ambujacement.com	https://www.ambujacement.com/Upload/PDF/ethical-view-reporting-policy-february-2017.pdf	https://www.ambujacement.com/Upload/PDF/Sustainability.pdf	https://www.ambujacement.com/Upload/PDF/csr-policy-12-12-2018.pdf	https://www.ambujacement.com/Sustainability/environment-and-energy	https://www.ambujacement.com/Sustainability/Stakeholder-engagement	https://www.ambujacement.com/Upload/PDF/sustainability-policy-12-12-2018.pdf https://www.ambujacement.com/Upload/PDF/csr-policy-12-12-2018.pdf	–	https://www.ambujacement.com/Upload/PDF/sustainability-policy-12-12-2018.pdf	https://www.ambujacement.com/Upload/PDF/code-of-conduct-and-business-ethics-wef-01-01-2017.pdf
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	N	Y	N	Y	N
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	–	Y	–	Y	–	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	–	Y	–	Y	–	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	–	Y	N	Y	–	Y	–

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	QUESTIONS	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	–	–	–	–	–	–	–	–	–
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	–	–	–	–	–	–	–	–	–
3	The company does not have financial or manpower resources available for the task	–	–	–	–	–	–	–	–	–
4	It is planned to be done within next 6 months	–	–	–	–	–	–	–	–	–
5	It is planned to be done within the next 1 year	–	–	–	–	–	–	–	–	–
6	Any other reason (please specify) * Need for a written policy was not felt. Suitable decision for a written policy will be taken at appropriate time.	–	–	–	–	–	–	*	–	–

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  The M.D. & CEO assesses the BR performance of the Company on a Quarterly basis which is then appraised to the Board at its quarterly meetings as a part of larger presentation on sustainability. The CSR and Sustainability Committee is also appraised about the BR performance bi-annually at its meetings.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  The Company publishes its Sustainability Report on an Annual basis which is GRI G4 compliant A+ i.e. an internationally accepted reporting framework which is also assured by an independent certifying agency and is available on the website of the Company, www.ambujacement.com/ Sustainability/sustainability-reports.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

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

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

   The policies relating to ethics, bribery and corruption as well as the Whistleblower Policy covers the Directors, Employees, Vendors and Customers of the Company. These policies are more or less aligned with the policies of the parent company.

   The Group /Joint Venture companies have their own policies which are also aligned with the policies of the parent company.

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

   The Company received a total of 31 complaints during the year 2018. Of these 31 complaints, 8 complaints were pre-assessed by the EVC Committee but did not warrant further investigation. 17 complaints were investigated and concluded whereas 5 complaint is still under investigation. The cases investigated were mainly of the nature of bribery / kickbacks, theft, violation of Code of Conduct etc. The financial impact of these cases was insignificant and caused no damage to the Company.

PRINCIPLE 2

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

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

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

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

   In 2018, Clinker Factor was 64.99% with fly ash utilization of 32.66% in PPC and Composite Cement, thus saving natural resources like limestone. We also co-process plastic, industrial & hazardous waste from different industries as alternative fuel. The Company also co-processes biomass in its kilns and thermal power plants.

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

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

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

Consumption per unit of Production	Industry Norms	Current Year (Jan to Dec 2018)	Previous Year (Jan to Dec 2017)
Electricity (KWH/T of Cement)	100	76.63	77.65
LDO (Ltr/T of Clinker)	N.A.	0.13	0.15
Coal and other Fuels (K.Cal/Kg of Clinker)	800	760	759

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)?**

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

The Company seeks to engage in long-term relationships with the suppliers committed to their social responsibility, adhere to international standards such as ISO 14001 (Environment Management System) and have systems in place to comply with the local and national laws and regulations. All inputs, except where the Company does not have any control, are sourced sustainably. The Company has a procedure in place for sustainable sourcing of energy, water including transportation. Almost all the inputs are sourced on a sustainable basis. The Company has long term Leases / Agreements for sourcing limestone, fly ash and gypsum. The Company is increasing the usage of Alternate Fuel and Raw Materials (AFR) year on year to decrease dependency on traditional fuel i.e. coal.

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

From year 2017, Company had engaged Avetta, leading Global Consultant in Supplier Qualification, who helped the company in qualifying High Risk- High Spend Suppliers and Contractors by screening them on the various counts related to Sustainable Procurement such as H & S, Labour, Environment and Bribery & Corruption.

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

The Company encourages procurement of goods and services from Local and small producers surrounding its plant locations to encourage the local employment to the society. Our Contractors, who are engaged in Operation and Maintenance of Plants, mostly employ workmen from the nearby villages. The Company also trains the vendors to meet the H & S requirements across all its plant locations.

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

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

Waste water generated from our plant and colony is recycled and reused in dust suppression, gardening, horticulture, etc.

PRINCIPLE 3

Businesses should promote the wellbeing of all employees.

1. **Please indicate the Total number of employees:**
   - Management Staff : 3536
   - Blue Collar Employees : 1522
   - **Total : 5058**

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis :**
   - Total Contractual employees :
     - i. Shipping Sailing Staff : 122
     - ii Third Party : 5995

3. **Please indicate the Number of permanent women employees :**
   - Permanent : 109
   - On Probation : 09
4. **Please indicate the Number of permanent employees with disabilities :**
   - Disabilities : 21
5. **Do you have an employee association that is recognised by management ?**

   Yes, we have recognised trade unions affiliated to either of INTUC / AITUC / BMS.
6. **What percentage of your permanent employees is members of this recognised employee association?**

   30% of our permanent employees are members of this recognized employee Association.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child Labour/Forced Labour/ Involuntary Labour	NIL	NIL
2.	Sexual harassment	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: 100% Safety Training & Skill Up-gradation (by way of working-OJT)
   - Permanent Women Employees : 100% Safety Training & Skill Up-gradation (by way of working-OJT)
   - Casual/Temporary/Contractual Employees : 100% Safety training. However, details not available regarding other training as it is done by their respective employers.
   - Employees with Disabilities : 100% safety

PRINCIPLE 4

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

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

   Yes, the company has mapped its internal as well as external stakeholders.
2. **Outof the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   The company has further identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing sites and its workers/contractual workers and truck drivers. Disabled children and youth emerged as a separate group and hence are catered through education and skill development program. Women in the communities are reached out to through the Women Empowerment Program.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   A comprehensive stakeholder engagement program operates to facilitate several initiatives for engagement of different stakeholders.

'We Care' developed for promoting a serious safety culture in Ambuja. Continuous trainings on safety are held with employees, truckers, contract workers and the community to ensure 'Zero Harm' level. Site Specific Impact Assessment (SSIA) are conducted cyclically as formal process to address the concerns and the felt needs of stakeholders at the manufacturing sites. The communities and its people being identified as important stakeholders, Ambuja Cement Foundation (ACF) stands responsible for being the link between the company and the community. ACF has promoted strategic social investment through planning its development interventions. All the programs have defined goal and objectives and aim to specially focus the underprivileged and marginalized section of communities. Community Advisory Panels (CAP) have been created with representation of both Ambuja and other stakeholders including the community. It promotes communication between the plant, stakeholders and its neighboring community. ACF's work is annually reviewed by its stakeholders through the Social Engagement Scorecard (SES) exercise.

PRINCIPLE 5

Businesses should respect and promote human rights.

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

   The company refers to the guidelines provided by the parent company LafargeHolcim and uses it as a tool for assessment of Human Rights impacts at its plants.

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 formally approved Sustainability Policy which is available on our website in public domain. The policy was last reviewed in 2014 and is currently being reviewed again to strengthen sustainable development in our business value chain. The policy enshrines commitments for climate change mitigation and adaptation at planning and operations level. Apart from this, we also have a formalized Climate Change Mitigation Policy. The Company measures & reports its carbon emissions as per the protocol of Cement Sustainability Initiative [CSI] of the World Business Council on Sustainable Development (WBCSD). The Company proactively discloses its carbon emissions annually in the Carbon Disclosure Project [CDP]. Ambuja achieved second rank in the CDP League Table 2018 among 13 global cement companies. Scope-3 carbon emission from all our plants was verified by an independent third party. Further, we also keep our stakeholders informed on our carbon performance through our annual GRI based Sustainability Report.

   The Company has strategies in place to address global warming and to ensure a low carbon growth path for our operations.

   The company's website also contains information on our Sustainability endeavours.

   [See: http://www.ambujacement.com/Sustainability].

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

   Yes. The Company regularly assesses the environmental risks emanating from our operations and as a part of the sustainability strategy, various initiatives are undertaken to address these risks. Additionally, all our operations are certified to international Environment Management System (ISO 14001). We have a structured process to carry out risk assessment dealing with business and environment all across the organisation on an annual basis. In addition, a comprehensive study was also conducted in 2018 by a third party to identify the potential financial impacts of the climate change related risk. This study was based on the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). The Company also conducted a comprehensive stakeholder engagement Materiality Review during 2018 to get a good understanding of the company's obligations to its various stakeholders, internal as well as external, consistent with the business's commitment to corporate responsibility and to find out the material issues, risks and opportunities. During 2018, we also developed Environmental Product Declaration (EPD) for our low carbon Portland Pozzolona Cement (PPC) and Compocem products which were verified by an independent third party and registered on the global platform 'Environdec' for consumer and stakeholder communication of the environmental performance of our products.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the company participates in the Global Program of Clean Development Mechanism (CDM). Our first project of the use of biomass for power generation at Ropar plant earned 17,727 CERs (Certified Emission Reduction) which could earn us INR 1.60 Crores in the year 2011. CDM project on Waste Heat Recovery [WHR] based power generation at our unit at Rabriyawas has been registered with UNFCCC in 2015 after successful Validation by DOE. This project is designed to accrue 35000/year Certified Emission Reductions (CERs) for the next 10 years.

There is no requirement for filing environment compliance report as per Host Country Approval.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The Company has strong focus on clean technology, energy efficiency and renewable energy. Our renewable energy portfolio includes; 15 MW biomass-based power plant at Ropar (established in 2005), a 7.5 MW wind power station in Kutch (Gujarat) (established in 2011), a 330 kWp solar power station at Bhatapara (Chhattisgarh) (established in 2012), a 55.14 kWp rooftop solar PV project at Gurgaon Regional Office (established in 2014) and a new 6.5 MW waste heat recovery (WHR) based power generation system at our Rajasthan plant, commissioned in 2015. WHR system increases fuel efficiency, optimises power costs and helps us to meet our renewable power obligation. In Ambujanagar, 15Kw Solar panel has been inserted for MPSS lighting and battery backup. Existing ACL captive power plants also use biomass. The renewable energy certificates (RECs) earned and the power-mix cost optimisation at our cement plants add value to ACL's power sourcing strategy and RPO compliance. During 2018, we generated about 6.5% of our total power requirement through renewable sources. Additionally, we also co-process industrial wastes from other industries in our kilns as alternative fuel. This helps us in reducing the use of coal, necessary for conservation as well as greenhouse gas mitigation. During 2018, we co-processed about 2.9 Lakh tons of alternative fuels substituting 5.6 % of total thermal energy by use of alternative fuels.

The company monitors its specific thermal & electrical energy consumption and employs measures for improving energy efficiency. All five of our integrated units, Six of our grinding units, and one bulk cement terminal have implemented energy management system as per ISO 50001:2011 & attained certification to the international standard.

Additionally, as a part of the Low Carbon Technology Roadmap for the Cement Industry developed by Cement Sustainability Initiative (CSI) of WBCSD, we are implementing Phase II of the project at our Ambuja Nagar unit. This is focused on energy efficiency opportunities in the operations.

As a result of our water harvesting and conservation efforts, we have been certified to be 5.5 times Water Positive by an independent third party in 2016. For the year 2018, we are more than 6 times water positive. Ambuja is the only cement company in India to achieve such a feat.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes. The Company employs various measures to ensure complete compliance to the applicable emission/waste standards. The Company is the first cement manufacturer to have proactively installed

Continuous Emission Monitoring Systems (CEMS) at all the nine kiln stacks for online monitoring of all vital pollution parameters. In addition, Continuous Ambient Air Quality Monitoring Systems have been installed at all the plants.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There are 3 (three) cases that are pending in different Courts, involving environment related issues as on end of the Financial Year.

PRINCIPLE 7

Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. The Company is a member of the following trade / chamber associations.

   a. Confederation of Indian Industry (CII)

   b. Bombay Chamber of Commerce and Investments (BCCI)

   c. Cement Sustainability Initiative (CSI), a body of World Business Council for Sustainable Development (WBCSD).

   d. Global Compact Network India (GCNI).

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

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

   Yes. We continue to work closely with business chambers such as CII and FICCI for advocating good practices in the Industry and policy interventions in environment governance and administration, inclusive development policies (such as implementation of SDGs), climate change, water and energy security and sustainable business principles. Ambuja has also been an active member of Cement Sustainability Initiative (CSI) India which is under the World Business Council for Sustainable Development (WBCSD) to work on several sustainability initiatives and training as well as best practices in the cement industry. We have also participated in the development of the Low Carbon Technology Road Map for Indian Cement sector and WBCSD's India Water Tool and engagement as one of the Co-chairs of SDGs road map for cement industry under the aegis of CSI.

We have been a regular recipient of CII Sustainability Awards under the category of Corporate Excellence for the Corporate Sustainability function. Our units at Bhatapara, Chandrapur, Ambujanagar and Farakka have also bagged awards in the domains of Environment Management & CSR. This Award recognises India's most sustainable companies for their outstanding achievements and commitment to shaping a future that is more sustainable and inclusive.

We completed a detailed Life Cycle Analysis (LCA) and Environment Product Declaration (EPD) in 2017 for all our units. Earlier, Ambuja Cement became the first Indian company in 2014 when it got the prestigious Certification on Sustainable Product labelling, "PRO-SUSTAIN" for PPC production from its Darlaghat plant from a leading global certification body. The "ProSustain" certification implies that the Company promotes the adoption of responsible and cost effective measures for incorporating sustainability into product design, development, production and supply chain management.

During 2018, Ambuja developed Environmental Product Declaration (EPD) for our low carbon Portland Pozzolona Cement (PPC) and Composite Cement products which were verified by an independent third party and registered on the global platform 'Environdec' for consumer and stakeholder communication on our sustainable products. We will work towards receiving more such green labelling for our products to communicate and educate our customers to make responsible and informed decision to differentiate and purchase sustainable products.

Ambuja also associated with some of the above associations in initiatives that collaborate with government agencies like Niti Aayog and coincide with our business objective in the field of circular economy. These initiatives will also benefit the community by arresting pollution and improving living conditions.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, The Company has developed need based and focused development programs. Important stakeholders groups are meaningfully engaged at various stages of program development and implementation. The programs focus on the contextual needs of the community and can broadly be divided in following categories

   1. Water Resource Management: Water and Land Resources
   2. Livelihood Promotion: Agro based Livelihoods and Skill based Livelihoods
   3. Social Development: Community Health and Sanitation, Women Empowerment and Education
   4. Rural Infrastructure Development

   The Company attempts to respond to the local development needs and national priorities through its development initiatives. While doing the same the Company promotes innovative strategies to intensify the reach and effectiveness of the programs.

   Our thrust areas are well aligned to the schedule VII of Section 135 of the Companies Act, 2013 and compliment the nation's need for inclusive growth. The company through its Site Specific Impact Assessment (SSIA), 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 Cement Foundation (ACF) is a CSR arm of Ambuja Cements Ltd. ACF was established in 1993 and all the development initiatives of the Company are undertaken by ACF. ACF mainly works with the neighboring communities of ACL and other vulnerable stakeholders. The development programs and projects initiated by ACF are disclosed through Foundation's annual reports & website (www.ambujacementfoundation.org).

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

   The ACF follows a systematic approach to review the performance of the programs and the resultant change in the community. Both the inputs and outputs are mapped with the help of a customized system developed at ACF. Evaluation or impact assessments are initiated at every critical phase of the program or at the maturity stage of the project. These assessments are undertaken by internal expert consultants and organizations. During the year some important assessments were carried out, the details of the same are provided in the Foundation's annual report (www.ambujacementfoundation.org).

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

   Ambuja Cements Ltd (ACL) has spent ₹ 53.46 crores on CSR in 2018. The Company has been mainly focusing on development of communities around its manufacturing sites through ACF. ACF's work in community development is in line with its mission statement "Energise, involve and enable communities to realize their potential". The Foundation reaches out to 24 lakh people across 30 locations in 11 states of India. The thematic areas include water resource management, livelihood promotion, social development and infrastructure development.

Water resource management program focuses on water conservation, promotion of safe drinking water and judicial use of water through promotion of micro irrigation. Local issues such as water scarcity in desert, salinity in coastal region, overexploitation of groundwater are addressed through strategic efforts.

Agro based livelihood promotion efforts include Krishi Vigyan Kendra (KVK), promotion of Systematic Rice Intensification (SRI), organic farming, agro-forestry and horticulture promotion. One of the significant programs is Better Cotton Initiative (BCI) expanding its reach to about 1,21,000 farmers. 30 Skill and Entrepreneurship Development Institutes (SEDIs) have trained over 42000 youth.

Community health and sanitation program promotes healthy and productive neighborhood communities. Under sanitation program household sanitation and sanitation in community school is promoted. Construction of toilets by mobilizing communities and resources from other sources is undertaken.

Ambuja Hospital Trust is a non-profit trust promoted by ACL to provide healthcare services to the community surrounding ACL's plant at Kodinar. Kodinar is a remote rural area with the nearest urban centre and multispecialty healthcare services being located more than 200 kilometres away. In 2018, the Ambujanagar Multispeciality Hospital reached out to about 40000 patients.

Education program in communities ensures quality education for children in government run schools. Ambuja Manovikas Kendra, Ropar, Punjab caters to children with disabilities. Further, the company promotes education in the five integrated plants through Ambuja Vidya Niketan Trust (AVNT). All five AVNTs are affiliated with CBSE and provide quality education to children of Ambuja employees as well as from the community.

Women empowerment program promotes economic and social development through income generation and Self Help Groups (SHGs). 2464 such SHGs have been formed with total 28285 members and a total corpus of ₹ 18 crore. At various locations these SHGs have come together to federate themselves into 5 Women Federations. These Federations of women actively engage in addressing local issues. Infrastructure development engages local communities in developing and maintaining community assets.

As a result of this robust and impactful approach, substantial funding is received from the government and other funders. With external funding ACF has been able to extend outreach of some of its programs and the same has positively influenced their livelihood options.

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. The focus has been on building capacities within the communities and creating local institutions which ensure ownership among the communities for the projects and sustains the development efforts. The approach has resulted in enabling and empowering local communities.

People's institutions include Women's Federations, Farmer Producer Companies, Water User Associations, Village Development Committees, strengthening Village Health Sanitation Committees, School Management Committees and 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.**

We have a formal system of receiving Customer complaints through Toll free number. In 2018 we received 896 Customer queries/complaints through toll free number, all of them have been resolved.

As regards consumer cases, 11 consumer cases were pending before different Forums/Commissions/Courts at the beginning of the year. During the year 6 consumer case was filed and 2 cases were disposed-off leaving a balance of 15 pending cases as on end of the financial year 2018.

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

The product quality is governed by the Bureau of Indian Standards (BIS). As per the BIS mandate, the product information is clearly displayed on the bag. No other label is displayed over and above than the mandated. The test report of cement supplied is available & produced on demand to the customers.

We print sustainable product labelling like Pro - Sustain for which our Darlaghat plant is already certified.

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

The details of the complaints filed are as under:-

Sr. No.	Particulars	Remarks / Status
1.	The Competition Commission of India passed an Order dated 31st August, 2016, imposing penalty on certain cement manufacturers including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. The penalty imposed on the Company is ₹ 1163.91 Crore.	Against the Order passed by CCI, the Company had filed Appeal in the Appellate Tribunal and obtained stay against the operation of CCI's Order, subject to deposit of 10% penalty in the form of Fixed Deposit. The Appeal was dismissed by the National Company Law Appellate Tribunal (NCLAT) on 25th July 2018. Against the judgment passed by NCLAT, the Company has filed Appeal in the Supreme Court. On 5th October 2018, the Supreme Court has admitted the Appeal and ordered continuation of interim orders passed by the Tribunal in the meantime, and, as such, the deposit continues @10%.
2.	State of Haryana has filed a complaint alleging cartelization in the tender for supply of cement by some cement companies including Ambuja Cements Ltd.	Against the Order passed by CCI, the Company has filed Appeal in the NCLAT and obtained stay against the operation of CCI's Order. The Appeal is being heard by the National Company Law Appellate Tribunal.

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

Yes. To fine tune its marketing offering and product the company carries out periodic customer satisfaction and consumer perceptions surveys. The surveys are carried out as per the global standards like Nielsen's Brand Equity Index (BEI), Net Promoter Score (NPS) & other research agencies on periodical basis. The feedback of various programs for customer / Influencer education is also taken.

In response to the interaction with the end consumers, the company has launched a new product viz **PuraSand** for plastering. This product has received good acceptance from the customers.

The first phase of Net Promoter Survey was carried out in the year 2017, it covered a sample consisting of all customers in trade as well as building & infra segment. It was conducted through LH global partner in NPS – Satmetrix, a leading global player of customer experience management software. The rollout of second phase which will cover all customers will be carried out in 2019.

Independent Auditor's Report

To The Members of Ambuja Cements Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Ambuja Cements Limited** ("the Company"), which comprise the Balance Sheet as at 31st December, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, and which includes a Joint Operation accounted on proportionate basis.

Management's Responsibility for the Standalone Ind AS Financial Statements

The respective Boards of Directors of the Company and its Joint Operation Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company including its joint operation, in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the joint operation referred to in the Other Matters paragraph below, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in Notes 39A(iii)(a) & 39A(iii)(b) to the standalone Ind AS financial statements:

(a) In terms of the order dated 31st August, 2016, the Competition Commission of India (CCI) had imposed a penalty of Rs. 1,163.91 crores for alleged contravention of the provisions of the Competition Act, 2002 by the Company. On Company's appeal, National Company Law Appellate Tribunal (NCLAT), which replaced the Competition Appellate Tribunal (COMPAT) effective 26th May, 2017, in its order dated 25th July, 2018 had upheld the CCI's Order. The Company's appeal against the said judgement of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated 5th October, 2018 with a direction that the interim order passed by the Tribunal would continue.

(b) In a separate matter, pursuant to the reference filed by the Director, Supplies and Disposals, State of Haryana, the CCI vide its order dated 19th January, 2017 had imposed penalty of Rs. 29.84 crores for alleged contravention of the provisions of the Competition Act, 2002 by the Company. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT has stayed the penalty pending hearing of the application. The matter is listed before the NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals, supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of a joint operation included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of Rs. 0.59 crores as at 31st December, 2018 and total revenues of Rs. 0.04 crores for the year ended on that date, as considered in the standalone Ind AS financial statements. The financial statements of this joint operation have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this joint operation and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operation, is based solely on the report of such other auditors.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the joint operation, referred to in the Other Matters paragraph above we report, to the extent applicable that:

  (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

  (b) In our opinion, proper books of account as required by law have been kept by the Company and its joint operation company so far as it appears from our examination of those books and the reports of the other auditors.

  (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

  (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

  (e) On the basis of the written representations received from the directors of the Company as on 31st December, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

  (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Notes 39 and 40 to the standalone Ind AS Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, on the basis of information available with the Company.

(2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai, 18th February, 2019

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone Ind AS financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2018)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ambuja Cements Limited ("the Company") as of 31st December, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company's joint operation which is a company incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its joint operation which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its joint operation company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the joint operation which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on internal financial controls system over financial reporting of the joint operation referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a joint operation which is a company incorporated in India, is based solely on the corresponding report of the other auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai, 18th February, 2019

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone Ind AS financial statements for the year ended 31st December, 2018 of Ambuja Cements Limited)

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) (i) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / other relevant records provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

(Rs. in Crore)

Particulars of the land and building	Gross block as at 31st December, 2018	Net Block as at 31st December, 2018	Total number of cases	Remarks
Freehold land	2.56	2.46	102	Title deeds are in the name of the wholly owned subsidiary and entities taken over/ merged with the company

(ii) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has not granted any loans or provided guarantees to directors / to a company in which a Director is interested, to which the provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon. Further the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st December, 2018 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for manufacture of cement. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. Sales Tax, Service Tax, Excise Duty and Value Added Tax are not applicable during the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st December, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st December, 2018 on account of disputes are given below:

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending (Rs. in Crore)				
			Commi-sionerate	Appellate authorities and Tribunal	High courts	Supreme court	Total
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Demand of sales tax/ Additional purchase tax, Interest and Penalty	1988-89 to 2016-17	33.02	7.37	91.63	112.41	**244.43**
Customs Act, 1962	Demand of Customs Duty, interest and penalty	2000-01 to 2013-14	1.80	39.43	-	-	**41.23**
Central excise Act, 1944	Demand of Excise duty, Denial of Cenvat Credit, Interest and Penalty	1994-95 to 2017-18	6.26	18.39	0.18	4.51	**29.34**
Finance Act, 1994	Denial of service tax credit and penalty	2004-05 to 2017-18	3.68	103.77	0.01	-	**107.46**
Income Tax Act, 1961	Income tax and Interest	AY 2007-08 to AY 2013-14	266.85	32.94	-	-	**299.79**

Amounts given above are net of amounts deposited.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to government. The Company did not have any outstanding loans or borrowings in respect of a financial institution or bank or dues to debenture holders during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai, 18th February, 2019

Balance Sheet as at 31st December, 2018

Particulars				Notes	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
ASSETS						
1	**Non-current assets**					
	a)	Property, plant and equipment		4	**5,563.19**	5,693.45
	b)	Capital work-in-progress			**610.02**	348.48
	c)	Goodwill		5	**-**	-
	d)	Other intangible assets		6	**100.41**	28.54
	e)	Intangible assets under development			**-**	49.44
	f)	Investments in subsidiaries and joint venture		7	**11,813.76**	11,815.10
	g)	Financial assets				
		i)	Investments	8	**-**	29.60
		ii)	Loans	9	**60.34**	66.52
		iii)	Other financial assets	10	**50.33**	42.18
	h)	Non-current tax assets (net)		58	**207.65**	79.65
	i)	Other non-current assets		11	**1,026.04**	963.70
		Total - Non-current assets			**19,431.74**	19,116.66
2	**Current assets**					
	a)	Inventories		12	**1,277.76**	1,052.50
	b)	Financial assets				
		i)	Trade receivables	13	**470.26**	307.97
		ii)	Cash and cash equivalents	14	**3,150.33**	3,310.64
		iii)	Bank balances other than cash and cash equivalents	15	**179.64**	186.43
		iv)	Loans	16	**4.29**	30.29
		v)	Other financial assets	17	**84.71**	71.69
	c)	Other current assets		18	**587.95**	550.60
					5,754.94	5,510.12
	d)	Assets classified as held for sale		51	**-**	0.06
		Total - Current assets			**5,754.94**	5,510.18
		TOTAL - ASSETS			**25,186.68**	24,626.84
EQUITY AND LIABILITIES						
Equity						
	a)	Equity share capital		19	**397.13**	397.13
	b)	Other equity		20	**20,615.40**	19,576.08
		Total Equity			**21,012.53**	19,973.21
Liabilities						
1	**Non-current liabilities**					
	a)	Financial liabilities				
		i)	Borrowings	21	**39.68**	24.12
		ii)	Other financial liabilities	22	**1.18**	1.75
	b)	Provisions		23	**38.53**	35.23
	c)	Deferred tax liabilities (net)		24	**372.16**	458.36
	d)	Other non-current liabilities		25	**7.17**	7.19
		Total - Non-current liabilities			**458.72**	526.65
2	**Current liabilities**					
	a)	Financial liabilities				
		i)	Trade payables			
			Total outstanding dues of micro enterprises and small enterprises	56	**0.52**	0.82
			Total outstanding dues of creditors other than micro enterprises and small enterprises		**1,108.94**	1,045.71
		ii)	Other financial liabilities	26	**616.17**	532.00
	b)	Other current liabilities		27	**1,293.65**	1,465.21
	c)	Provisions		28	**91.05**	87.08
	d)	Current tax liabilities (net)		58	**605.10**	996.16
		Total - Current liabilities			**3,715.43**	4,126.98
		Total Liabilities			**4,174.15**	4,653.63
		TOTAL - EQUITY AND LIABILITIES			**25,186.68**	24,626.84

See accompanying notes to the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 18th February, 2019

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
Director
DIN - 00077715

Shailesh Haribhakti
Director
DIN - 00007347

Haigreve Khaitan
Director
DIN - 00005290

Omkar Goswami
Director
DIN - 00004258

Christof Hassig
Director
DIN - 01680305

Roland Kohler
Director
DIN - 08069722

Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Statement of profit and loss for the year ended 31st December, 2018

Particulars			Notes	2018 ₹ in crore	2017 ₹ in crore
1	Income				
	a)	Revenue from operations	29	**11,356.76**	11,225.12
	b)	Other income	30	**374.98**	359.09
		Total Income		**11,731.74**	11,584.21
2	Expenses				
	a)	Cost of materials consumed	31	**1,013.08**	909.33
	b)	Purchase of stock-in-trade		**5.96**	-
	c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	32	**(76.72)**	(62.83)
	d)	Excise duty	57	**-**	768.02
	e)	Employee benefits expense	33	**679.57**	661.37
	f)	Finance costs	34	**82.33**	107.19
	g)	Depreciation and amortisation expense	35	**548.09**	572.92
	h)	Power and fuel		**2,549.69**	2,233.07
	i)	Freight and forwarding expense	36	**3,277.57**	2,871.98
	j)	Other expenses	37	**2,017.14**	1,905.05
				10,096.71	9,966.10
	k)	Self consumption of cement (net of excise duty)		**(0.99)**	(1.01)
		Total Expenses		**10,095.72**	9,965.09
3	Profit before exceptional items and tax (1-2)			**1,636.02**	1,619.12
4	Exceptional items		59	**129.95**	-
5	Profit before tax (3-4)			**1,506.07**	1,619.12
6	Tax expense				
	a)	For the current year			
		i) Current tax - charge		**478.00**	412.00
		ii) Deferred tax - (credit)		**(86.93)**	(18.33)
	b)	Relating to earlier years			
		i) Current tax - (credit)	58	**(372.01)**	(1.33)
		ii) Deferred tax - (credit)		**-**	(22.79)
				19.06	369.55
7	Profit for the year (5-6)			**1,487.01**	1,249.57
8	Other comprehensive income				
	Items not to be reclassified to profit or loss in subsequent periods				
	Remeasurement gains / (losses) on defined benefit plans			**2.82**	5.64
	Tax adjustment on above			**(0.73)**	(2.23)
	Total other comprehensive income			**2.09**	3.41
9	Total comprehensive income for the year (7+8)			**1,489.10**	1,252.98
10	Earnings per share of ₹ 2 each - in ₹		38		
	Basic			**7.49**	6.29
	Diluted			**7.49**	6.29

See accompanying notes to the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 18th February, 2019

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
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DIN - 00276351

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Roland Kohler
Director
DIN - 08069722

Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Statement of changes in equity for the year ended 31st December, 2018

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
A Equity share capital		
Opening balance	**397.13**	397.13
Changes during the year	-	-
Closing balance	**397.13**	397.13

B Other Equity

₹ in crore

Particulars	Reserves and surplus						
	General reserve (refer note a)	Capital redemption reserve (refer note b)	Capital reserve (refer note c)	Subsidies (refer note d)	Securities premium (refer note e)	Retained earnings	Total other equity
Balance as at 1st January, 2017	5,655.83	9.93	130.71	5.02	12,471.07	687.18	18,959.74
Profit for the year	-	-	-	-	-	1,249.57	1,249.57
Other comprehensive income (net of tax expenses)	-	-	-	-	-	3.41	3.41
Equity dividend including dividend distribution tax (Refer note 49)	-	-	-	-	-	(636.64)	(636.64)
Balance as at 31st December, 2017	5,655.83	9.93	130.71	5.02	12,471.07	1,303.52	19,576.08
Balance as at 1st January, 2018	**5,655.83**	**9.93**	**130.71**	**5.02**	**12,471.07**	**1,303.52**	**19,576.08**
Profit for the year	-	-	-	-	-	1,487.01	1,487.01
Other comprehensive income (net of tax expenses)	-	-	-	-	-	2.09	2.09
Equity dividend including dividend distribution tax (Refer note 49)	-	-	-	-	-	(449.78)	(449.78)
Balance as at 31st December, 2018	**5,655.83**	**9.93**	**130.71**	**5.02**	**12,471.07**	**2,342.84**	**20,615.40**

Statement of changes in equity for the year ended 31st December, 2018

Description of reserves in statement of changes in equity

a) General reserve

The Company created general reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act, 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Company.

b) Capital redemption reserve

Capital redemption reserve was created by transferring from retained earnings. During the year ended 30th June 2005, part of the amount was used for issue of bonus shares. The balance will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Capital reserve

This reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

d) Subsidies

These are capital subsidies received from the Government and various authorities.

e) Securities premium

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

See accompanying notes to the financial statements

In terms of our report attached

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS LLP** Chartered Accountants	**Suresh Joshi** Chief Financial Officer	**N.S. Sekhsaria** Chairman & Principal Founder DIN - 00276351	**Rajendra P. Chitale** Chairman - Audit Committee DIN - 00015986	**Martin Kriegner** Director DIN - 00077715
B. P. Shroff Partner	**Rajiv Gandhi** Company Secretary	**Shailesh Haribhakti** Director DIN - 00007347	**Haigreve Khaitan** Director DIN - 00005290	**Omkar Goswami** Director DIN - 00004258
		Christof Hassig Director DIN - 01680305	**Roland Kohler** Director DIN - 08069722	**Jan Jenisch** Director DIN - 07957196
Mumbai, 18th February, 2019		**Ajay Kapur** Managing Director & Chief Executive Officer DIN - 03096416		

Cash Flow Statement for the year ended 31st December, 2018

Particulars	2018 ₹ in crore	2017 ₹ in crore
Cash flows from operating activities		
Profit before tax	**1,506.07**	1,619.12
Adjustments for		
Depreciation and amortisation expense	**548.09**	572.92
Loss on property, plant and equipment sold, discarded and written off (net)	**14.60**	6.41
Dividend income from subsidiary company	**(140.98)**	(159.77)
Dividend income from joint venture company	**-**	(2.25)
Gain on sale of current financial assets measured at FVTPL	**(44.18)**	(56.16)
Net gain on fair valuation of liquid mutual fund measured at FVTPL	**(0.51)**	(23.00)
Finance costs	**82.33**	107.19
Interest income	**(153.27)**	(112.98)
Provision / (reversal) for slow and non moving spares	**(0.03)**	(10.24)
Discounting income on pre-payment of value added tax loan	**-**	(4.98)
Discounting income on interest free loan	**(8.81)**	(4.01)
Unrealised exchange (gain) / loss (net)	**0.60**	(0.65)
Fair Value movement in derivative instruments	**0.09**	-
Provision against loan and interest to a subsidiary (Refer note 59 (b))	**48.53**	-
Interest on income tax written back (Refer note 58)	**(35.87)**	-
Provisions no longer required written back	**(7.56)**	(2.54)
Inventories written off	**2.41**	3.04
Bad debts, sundry debit balances and claims written off / written back (net)	**2.17**	0.83
Profit on buy back of shares of joint venture	**(0.16)**	-
Operating profit before working capital changes	**1,813.52**	1,932.93
Adjustments for		
Trade receivables, loans and other assets	**(356.04)**	(234.56)
Inventories	**(227.64)**	(107.76)
Trade payables, other liabilities and provisions	**(8.55)**	555.89
	(592.23)	213.57
Cash generated from operations	**1,221.29**	2,146.50
Direct taxes paid (net of refunds) (Refer note 1 in cash flow and note 58)	**(625.05)**	(310.07)
Net cash flow from operating activities (A)	**596.24**	1,836.43
Cash flows from investing activities		
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)	**(597.33)**	(544.62)
Proceeds from sale of property, plant and equipment	**3.72**	1.94
Proceeds from buyback of shares of joint venture	**1.50**	-
Inter corporate deposits and loans given to subsidiaries	**(0.18)**	(0.10)
Inter corporate deposits and loans repaid by subsidiaries	**-**	4.64
Gain on sale of current financial assets measured at FVTPL	**44.18**	56.16
Investments in bank deposits (having original maturity of more than three months and upto twelve months)	**(118.53)**	(2.89)
Redemption of bank deposits (having original maturity of more than three months and upto twelve months)	**124.16**	0.15
Investments in bank deposits (having original maturity of more than twelve months)	**(0.84)**	-
Dividend received from subsidiary company	**140.98**	159.77
Dividend received from joint venture company	**-**	2.25
Interest received (including Interest on Income tax)	**148.01**	126.81
Net cash used in investing activities (B)	**(254.33)**	(190.89)

Cash Flow Statement for the year ended 31st December, 2018

Particulars	2018 ₹ in crore	2017 ₹ in crore
Cash flows from financing activities		
Proceeds from non-current borrowings	**21.55**	10.50
Repayment of non-current borrowings	**-**	(13.23)
Discounting income on pre-payment of value added tax loan	**-**	4.98
Interest paid	**(74.50)**	(114.28)
Net movement in earmarked balances with banks	**1.16**	(0.93)
Dividend paid on equity shares	**(398.29)**	(555.04)
Dividend distribution tax paid	**(52.65)**	(80.66)
Net cash used in financing activities (C)	**(502.73)**	(748.66)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(160.82)**	891.88
Cash and cash equivalents		
Cash and cash equivalents at the end of the year (Refer note 14)	**3,150.33**	3,310.64
Adjustment for fair value gain on liquid mutual funds measured through profit and loss	**(0.51)**	(23.00)
	3,149.82	3,287.64
Cash and cash equivalents at the beginning of the year (Refer note 14)	**3,310.64**	2,395.76
Net increase / (decrease) in cash and cash equivalents	**(160.82)**	891.88

Notes :

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. In the previous year, the company has converted 13% compulsorily convertible preference shares, its investment in Counto Microfine Products Private Limited for consideration other than cash.
3. Changes in liabilities arising from financing activities:

Particulars	As at 31st December, 2017	Cash flow changes	Non-cash changes (Fair value adjustments)	As at 31st December, 2018
Non-current borrowings	24.12	**21.55**	**(5.99)**	**39.68**

See accompanying notes to the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 18th February, 2019

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
Director
DIN - 00077715

Shailesh Haribhakti
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Omkar Goswami
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Christof Hassig
Director
DIN - 01680305

Roland Kohler
Director
DIN - 08069722

Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Notes to Financial Statements

1. Corporate Information

Ambuja Cements Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India and its GDRs are listed under the EURO MTF Platform of Luxembourg Stock Exchange. The registered office of the Company is located at Ambujanagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

The Company's principal activity is to manufacture and market cement and cement related products.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") Read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following:

A. Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

B. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

C. Employee defined benefit plans, recognised at the net total of the fair value of plan assets and the present value of the defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies are applied consistently to all the periods presented in the financial statements. Financial statements are presented in ₹ which is the functional currency of the Company and all values are rounded to the nearest crore as per the requirement of Schedule III of the Companies Act, 2013, except when otherwise indicated.

3. Significant accounting policies

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at transition date (1st January, 2016) measured as per the previous GAAP. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

II. Spares which meet the definition of property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the statement of profit and loss.

III. Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

IV. An item of property, plant and equipment and any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognised.

B. Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation is calculated using "Written down value method" for assets related to Captive Power Plant and using "Straight line method" for other assets. Estimated useful lives of the assets are as follows:

Assets	Useful Life
Land (freehold)	No depreciation except on land with mineral reserves. Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
Leasehold land	Amortised over the period of lease
Buildings, roads and water works	30 - 60 years
Plant and equipment	10 - 25 years
Assets related to Captive Power Plant	40 years
Railway sidings and locomotives	15 years
Furniture, office equipment and tools	3 - 10 years
Vehicles	8 - 10 years
Ships	25 years

The useful life as estimated above is also in line with the prescribed useful life estimates as specified under Schedule II of the Act.

II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

III. The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost, which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

IV. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation or construction, when the asset is ready for intended use.

V. Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

VI. Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

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

VIII. Property, plant and equipment, constructed by the Company, but ownership of which vests with the Government / Local authorities:

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

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

C. Intangible assets

I. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at transition date (1st January, 2016) measured as per the previous GAAP. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

II. The useful lives of intangible assets are assessed as either finite or indefinite.

III. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed during each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

IV. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

D. Amortisation of intangible assets

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	**Useful life**	**Amortisation method used**
Water drawing rights	Finite (10-30 years)	Amortised on a straight-line basis over the useful life
Computer software	Finite (Up to 5 years)	Amortised on a straight-line basis over the useful life
Mining Rights	Finite (0-90 years)	Over the period of the respective mining agreement

E. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Company estimates the recoverable amount for the smallest cash generating unit to which the non-financial asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

F. Inventories

Inventories are valued after providing for obsolescence, as follows:

I. Raw materials, stores and spare parts, fuel and packing material:

Lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

II. Work-in-progress, finished goods and stock in trade:

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

G. Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred, liabilities incurred to the former owner of the acquiree and the equity interests issued in exchange of control of the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis indicated below:

I. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

II. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

III. Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and fair value of any previously held interest in acquiree, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination of entities under common control

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

H. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (also see note "G" in accounting policy) less accumulated impairment losses, if any.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

I. Investment in subsidiaries, associates and joint arrangements

I. Subsidiaries

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any.

II. Associates

Associates are all entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted at cost less impairment, if any.

III. Joint Arrangements

Interests in joint arrangements are interests over which the Company exercises joint control and are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

a. Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. If the interest is classified as a joint operation, the Company recognises its share of the assets, liabilities, revenues and expenses in the joint operation in accordance with the relevant Ind AS.

When the Company transacts with a joint operation in which the Company is a Joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the company's financial statements only to the extent of other parties' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets) the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

b. Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted at cost less impairment, if any.

J. Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

K. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

I. Financial assets

a. The Company's financial assets comprise:

i. Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees and non-current deposits.

b. Initial recognition and measurement of financial assets

The Company recognises a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- This category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other non-current receivables and non-current financial assets such as financial investments – bond and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments, liquid mutual funds, derivatives and equity instruments at fair value through the statement of profit and loss (FVTPL)

<u>Debt instruments</u>

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

Debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement are recognised in the statement of profit and loss.

This category comprises investments in liquid mutual funds and derivatives.

<u>Equity instruments</u>

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the statement of profit and loss.

The Company has designated its investment in equity instruments as FVTPL category.

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

The Company has not designated investment in any equity instruments as FVTOCI.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

e. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 18, if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

II. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b. Financial liabilities

i. The Company's financial liabilities comprise:

- Non-current financial liabilities mainly consist of borrowings and liability for capital expenditure.
- Current financial liabilities mainly consist of trade payables, liability for capital expenditure, security deposit from dealer, transporter and contractor, staff related and other payables.

Initial recognition and measurement

The Company recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

ii. Subsequent measurement of financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Subsequent measurement of financial liabilities at fair value through profit or loss

The Company uses foreign exchange forward contracts as derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative financial instruments such as foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

iii. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "financial instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

L Provisions and contingencies

I. Provisions

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamation expenses

The Company provides for the expenses to reinstate the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

II. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

III. Contingent asset

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

M. Foreign exchange gains and losses

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

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

Investments in equity capital of overseas companies registered outside India are carried in the balance sheet at the rates at which transactions have been executed.

N. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

I. Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which for domestic sales are accounted on dispatch of products to customers and export sales are accounted on the basis of date of Bill of Lading.

Revenue for current year is exclusive of goods and service tax, discounts and sales returns. Revenue for previous year is inclusive of excise duty but net of sales tax / value added tax / goods and services tax, discounts and sales returns, as applicable. Revenue excludes self-consumption of cement and clinker.

II. Rendering of services

Revenue from services is recognised (net of goods and services tax / service tax, as applicable) by reference to the stage of completion of the contract.

III. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Dividends

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

O. Retirement and other employee benefits

I. Defined contribution plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

II. Defined benefit plan

The Company's gratuity fund scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the balance sheet date.

Employee benefit, in the form of contribution to provident fund managed by a trust set up by the Company, is charged to statement of profit and loss for the year in which the employee renders the related service. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the statement of profit and loss based on actuarial valuation.

Past service costs are recognised in the statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

III. Short term employee benefits

a. Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

IV. Other long-term employee benefits

Long service awards and accumulated compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

V. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

a. when the Company can no longer withdraw the offer of those benefits; and

b. When the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

VI. Presentation and disclosure

For the purpose of presentation of defined benefit plans, the allocation between the short term and long term provisions has been made as determined by an actuary. Obligations under other long-term benefits are classified as short-term provision, if the Company does not have an unconditional right to defer the settlement of the obligation beyond 12 months from the reporting date. The Company presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

P. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

I. The appropriate level of management is committed to a plan to sell the asset,

II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the statement of profit and loss in "Other income".

Q. Borrowing Cost

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

R. Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

I. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

III. Minimum alternate tax (MAT)

Deferred tax assets include MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

S. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

I. Company as a lessee

a. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

b. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability (if any) to the lessor is included in the balance sheet as a finance lease obligation.

II. Company as a lessor

a. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Company in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

T. Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The board of directors of the company has appointed executive committee (ExCo) as CODM. The ExCo assesses the financial performance and position of the Company and makes strategic decisions.

U. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

V. Government grants and subsidies

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

II. Where the government grants / subsidies relate to revenue, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.

III. Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

IV. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

V. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

W. Earnings per share

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

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

X. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 Presentation of financial statements. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Y. Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

I. Recognition of deferred tax assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized.

II. Classification of legal matters and tax litigation

The litigation and claims to which the Company is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

III. Defined benefit obligations

The cost of defined benefit gratuity plans, post-retirement medical benefit and death and disability benefit, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

IV. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

V. Mines restoration obligation

In measuring the mines restoration obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

VI. Useful life of property plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

VII. Revenue recognition

Company provides various discounts, allowances and rebates to the customers. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

VIII. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

IX. Impairment of investments in subsidiaries, joint- ventures and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the management has anticipated the capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

Notes to Financial Statements

Note 4 - Property, plant and equipment

(Refer note 3(A) and 3(B) for accounting policy on property, plant and equipment)

₹ in crore

Particulars	As at 31.12.2018								
	Gross block				Accumulated depreciation				Net block
	As at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 1st January, 2018	Charge for the year (e)	Deductions/ Transfers	As at 31st December, 2018	as at 31st December, 2018 (f)
Freehold non-mining land	369.51	3.12	-	372.63	-	-	-	-	372.63
Freehold mining land	569.37	188.95	-	758.32	17.19	13.59	0.01	30.77	727.55
Leasehold land	51.78	6.61	-	58.39	1.37	0.61	0.01	1.97	56.42
Buildings, roads and water works (a)	1,461.18	26.79	1.54	1,486.43	169.67	78.84	0.22	248.29	1,238.14
Plant and equipment (owned) (b)	4,059.06	179.11	29.51	4,208.66	901.17	409.63	15.60	1,295.20	2,913.46
Furniture and fixtures	21.26	1.90	0.03	23.13	7.25	3.16	0.02	10.39	12.74
Vehicles	86.08	19.76	6.80	99.04	19.71	12.96	3.82	28.85	70.19
Office equipment	56.07	8.36	1.79	62.64	27.70	13.12	1.72	39.10	23.54
Marine structures (c)	24.39	-	0.02	24.37	7.65	3.60	-	11.25	13.12
Railway sidings and locomotives (d)	47.00	0.01	-	47.01	11.92	3.58	-	15.50	31.51
Ships	126.64	0.20	0.04	126.80	15.26	7.66	0.01	22.91	103.89
Total	6,872.34	434.81	39.73	7,267.42	1,178.89	546.75	21.41	1,704.23	5,563.19

Particulars	As at 31.12.2017								
	Gross block				Accumulated depreciation				Net block
	As at 1st January, 2017	Additions	Deductions/ Transfers	As at 31st December, 2017	As at 1st January, 2017	Charge for the year (e)	Deductions/ Transfers	As at 31st December, 2017	as at 31st December, 2017 (f)
Freehold non-mining land	349.51	20.94	0.94	369.51	-	-	-	-	369.51
Freehold mining land	462.13	107.24	-	569.37	8.03	9.16	-	17.19	552.18
Leasehold land	51.23	0.55	-	51.78	0.57	0.80	-	1.37	50.41
Buildings, roads and water works (a)	1,445.54	15.70	0.06	1,461.18	88.73	80.96	0.02	169.67	1,291.51
Plant and equipment (owned) (b)	3,898.31	169.27	8.52	4,059.06	466.56	436.51	1.90	901.17	3,157.89
Furniture and fixtures	19.94	1.40	0.08	21.26	3.79	3.49	0.03	7.25	14.01
Vehicles	62.72	24.41	1.05	86.08	9.32	10.80	0.41	19.71	66.37
Office equipment	47.50	9.39	0.82	56.07	15.04	13.42	0.76	27.70	28.37
Marine structures (c)	24.39	-	-	24.39	3.82	3.83	-	7.65	16.74
Railway sidings and locomotives (d)	46.03	0.97	-	47.00	7.02	4.90	-	11.92	35.08
Ships	126.42	0.22	-	126.64	7.62	7.64	-	15.26	111.38
Total	6,533.72	350.09	11.47	6,872.34	610.50	571.51	3.12	1,178.89	5,693.45

Notes to Financial Statements

Note 5 - Goodwill

(Refer note 3(H) for accounting policy on goodwill)

₹ in crore

Particulars	As at 31.12.2018								
	Gross block				Accumulated amortisation				Net block as at 31st December, 2018
	As at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 1st January, 2018	Charge for the year	Deductions/ Transfers	As at 31st December, 2018	
Goodwill	235.63	-	-	235.63	235.63	-	-	235.63	-
Total	**235.63**	**-**	**-**	**235.63**	**235.63**	**-**	**-**	**235.63**	**-**
Note 6 - Other intangible assets									
(Refer note 3(C) and 3(D) for accounting policy on intangible Assets)									
Mining rights (g)	30.65	73.38	-	104.03	2.62	1.54	-	4.16	99.87
Water drawing rights	0.31	-	-	0.31	0.04	0.02	-	0.06	0.25
Computer software	0.24	0.10	-	0.34	-	0.05	-	0.05	0.29
Total	**31.20**	**73.48**	**-**	**104.68**	**2.66**	**1.61**	**-**	**4.27**	**100.41**

Note 5 - Goodwill

Particulars	As at 31.12.2017								
	Gross block				Accumulated amortisation				Net block as at 31st, December, 2017
	As at 1st January, 2017	Additions	Deductions/ Transfers	As at 31st December, 2017	As at 1st January, 2017	Charge for the year	Deductions/ Transfers	As at 31st December, 2017	
Goodwill	235.63	-	-	235.63	235.63	-	-	235.63	-
Total	235.63	-	-	235.63	235.63	-	-	235.63	-
Note 6 - Other intangible assets									
Mining rights	19.18	11.47	-	30.65	1.08	1.54	-	2.62	28.03
Water drawing rights	0.31	-	-	0.31	0.02	0.02	-	0.04	0.27
Computer software	-	0.24	-	0.24	-	-	-	-	0.24
Total	19.49	11.71	-	31.20	1.10	1.56	-	2.66	28.54

Includes :

a) i) Premises in co-operative societies, on ownership basis of ₹ 84.74 crore (31st December, 2017 - ₹ 85.12 crore) and ₹ 4.85 crore (31st December, 2017 - ₹ 3.25 crore) being accumulated depreciation thereon.

ii) ₹ 19.92 crore (31st December, 2017 - ₹ 19.92 crore) being cost of roads constructed by the Company, the ownership of which vests with government/local authorities and ₹ 12.98 crore (31st December, 2017 - ₹ 9.22 crore) being accumulated depreciation thereon.

b) ₹ 69.81 crore (31st December, 2017 - ₹ 69.96 crore) being cost of power lines incurred by the Company, the ownership of which vests with state electricity boards and ₹ 6.65 crore (31st December, 2017 - ₹ 4.43 crore) being accumulated depreciation thereon.

c) Cost incurred by the Company, the ownership of which vests with the state maritime boards.

d) ₹ 11.75 crore (31st December, 2017 - ₹ 11.75 crore) being cost of railway sidings incurred by the Company, the ownership of which vests with railway authorities and ₹ 4.02 crore (31st December, 2017 - ₹ 3.08 crore) being accumulated depreciation thereon.

e) Includes ₹ 0.27 crore (31st December, 2017 - ₹ 0.15 crore) capitalised as pre-operative expenses.

f) As per the website of the Ministry of Corporate affairs, certain charges aggregating ₹ 38.28 crore (31st December, 2017 - ₹ 53.68 crore) on properties of the Company are pending for satisfaction due to some procedural issues, although related loan amounts have already been paid in full.

g) During the year, the Company has commenced commercial production by way of open cast mining at its coal block situated at Raigarh district in the state of Chattisgarh, acquired under e-auction.

Notes to Financial Statements

Particulars	Face value (in ₹)	As at 31.12.2018 No of shares	As at 31.12.2018 ₹ in crore	As at 31.12.2017 No of shares /bonds	As at 31.12.2017 ₹ in crore
Note 7 - Investments in subsidiaries and joint venture					
(Refer note 3(I) for accounting policy on investment in subsidiaries, associates and joint arrangements)					
Investments carried at cost					
Investment in subsidiaries					
Quoted					
In fully paid equity shares					
ACC Limited	10	**93,984,120**	**11,737.80**	93,984,120	11,737.80
Unquoted					
In fully paid equity shares					
M.G.T. Cements Private Limited	10	**750,000**	**3.05**	750,000	3.05
Chemical Limes Mundwa Private Limited	10	**5,140,000**	**6.47**	5,140,000	6.47
OneIndia BSC Private Limited	10	**2,501,000**	**2.50**	2,501,000	2.50
Dang Cement Industries Private Limited (foreign subsidiary, face value in Nepalee Rupee)	100	**2,029,135**	**24.75**	2,029,135	24.75
Dirk India Private Limited	10	**2,075,383**	**23.03**	2,075,383	23.03
			59.80		59.80
Investment in joint venture					
Unquoted					
In fully paid equity shares					
Counto Microfine Products Private Limited (During the current year 6,90,280 equity shares have been bought back).	10	**8,319,722**	**16.16**	9,010,002	17.50
Total			**11,813.76**		11,815.10
Note 8 - Non-current investments					
A. Investments carried at amortised cost					
Unquoted					
Government and trust securities					
*National Savings Certificate ₹ 36,500 (31st December, 2017 - ₹ 36,500), deposited with government department as security.			**-**		-
Public sector bonds					
5.13% taxable redeemable bonds Himachal Pradesh Infrastructure Development Bonds	1,000,000	**-**	**-**	296	29.60
Total (A)			**-**		29.60
B. Investments carried at fair value through profit and loss					
Unquoted					
In fully paid equity shares					
Gujarat Goldcoin Ceramics Limited	10	**1,000,000**	**-**	1,000,000	-
Total (B)			**-**		-
Total Investments carrying value (A + B)			**-**		29.60
Total (7+8)			**11,813.76**		11,844.70

* Denotes amount less than ₹ 50,000

Particulars	Book value as at 31.12.2018	Book value as at 31.12.2017	Market value as at 31.12.2018	Market value as at 31.12.2017
Aggregate amount of quoted investments	**11,737.80**	11,737.80	**14,142.73**	16,521.47
Aggregate amount of unquoted investments	**75.96**	106.90	**-**	-
Total	**11,813.76**	11,844.70	**14,142.73**	16,521.47

Notes to Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 9 - Non-current loans		
(Refer note 3(K)(I) for accounting policy on financial assets)		
Unsecured, considered good		
Security deposits	**59.03**	52.65
Loans to related party (Refer note 46)	**-**	12.06
Loans to employees	**1.31**	1.81
	60.34	66.52
Unsecured loans which have significant increase in credit risk		
Loans to related party - subsidiary (Refer note 46 and 59(b))	**37.94**	-
Loans to Wardha Vaalley - joint operation	**0.89**	0.89
Less : allowance for doubtful loans	**38.83**	0.89
	-	-
Total	**60.34**	66.52

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties.

No loans are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 10 - Other non-current financial assets		
(Refer note 3(K)(I) for accounting policy on financial assets)		
Unsecured, considered good		
Bank deposits with more than 12 months maturity*	**43.02**	42.18
Interest accrued on fixed deposits	**7.31**	-
Unsecured receivables which have significant increase in credit risk		
Interest receivable from related party - subsidiary (Refer note 46 and 59(b))	**10.60**	-
Less : allowance for doubtful balances	**10.60**	-
	-	-
Total	**50.33**	42.18

* These include fixed deposits of ₹ 34.15 crore (31st December, 2017 - ₹ 34.15 crore) given as security against bank guarantees and other deposits given as security to regulatory authorities.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 11 - Other non-current assets		
Unsecured, considered good		
Capital advances	**389.61**	464.57
Advances other than capital advances		
Deposit against government dues / liabilities	**162.43**	179.81
Prepayments under leases	**35.55**	36.87
Advances recoverable other than in cash	**26.64**	26.59
Incentives receivable under government incentive schemes	**411.81**	255.86
	1,026.04	963.70
Unsecured, considered doubtful		
Capital advances	**6.64**	6.64
Advances recoverable other than in cash	**6.79**	6.79
Incentives receivable under government incentive Schemes	**31.84**	31.84
	45.27	45.27
Less : allowance for doubtful receivables	**45.27**	45.27
	-	-
Total	**1,026.04**	963.70

No advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 12 - Inventories		
At lower of cost and net realisable value		
(Refer Note 3(F) for accounting policy on inventories)		
Raw materials (including in transit - ₹ 0.34 crore; 31st December, 2017 - ₹ 0.28 crore)	**72.96**	57.11
Work-in-progress	**338.35**	303.53
Finished goods	**108.65**	77.89
Captive coal	**11.12**	-
Stock in trade (in respect of goods acquired for trading)	**0.02**	-
Stores and spares (including in transit - ₹ 10.19 crore; 31st December, 2017 - ₹ 3.84 crore)	**269.08**	223.66
Coal and fuel (including in transit - ₹ 73.07 crore; 31st December, 2017 - ₹ 5.37 crore)	**467.05**	372.14
Packing material (including in transit - ₹ 0.15 crore; 31st December, 2017 - ₹ 0.82 crore)	**10.53**	18.17
Total	**1,277.76**	1,052.50
The Company provided for write down / (write back) of the value of inventories in the statement of profit and loss amounting to ₹ (0.03) crore (31st December, 2017 - ₹ (10.24) crore).		
Note 13 - Trade receivables		
(Refer note 3(K)(I) for accounting policy on financial assets)		
Secured, considered good	**159.57**	115.03
Unsecured, considered good	**310.69**	192.94
Unsecured which have significant increase in credit risk	**3.82**	5.86
	474.08	313.83
Less : allowance for doubtful trade receivables	**3.82**	5.86
Total	**470.26**	307.97
No trade receivables are due by directors or other officers of the company or any of them either severally or jointly with any other person. Further, no trade receivables are due by firms or private companies in which any director is a partner, a director or a member.		
Note 14 - Cash and cash equivalents		
(Refer Note 3(U) for accounting policy on cash and cash equivalents)		
Balances with banks		
In current accounts	**359.74**	216.98
Deposit with original maturity upto 3 months	**2,395.16**	1,475.15
Cheques on hand	**64.85**	35.25
Cash on hand	**0.07**	0.04
Deposit with other than banks with original maturity of upto 3 months	**100.00**	100.00
Investments in liquid mutual funds	**230.51**	1,483.22
Total	**3,150.33**	3,310.64
Note 15 - Bank balances other than cash and cash equivalents		
Earmarked balances with banks #	**24.51**	25.67
Fixed deposit with banks (Original maturity more than 3 months and up to 12 months)*	**155.13**	160.76
Total	**179.64**	186.43
# These balances represent unpaid dividend liabilities of the Company and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile Ambuja Cements Rajasthan Limited (ACRL), not available for use by the Company.		
* These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 116.39 crore (31st December, 2017 - ₹ 119.16 crore), (refer note 39(A)(iii)) and other deposits amounting ₹ 38.72 crore (31st December, 2017 - ₹ 41.59 crore) given as security against bank guarantees to regulatory authorities and others.		

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 16 - Current loans		
(Refer note 3(K)(I) for accounting policy on financial assets)		
Unsecured, considered good		
Loans to related parties - subsidiary (Refer note 46)	**1.03**	26.73
Loans to employees	**3.26**	3.56
Total	**4.29**	30.29
No loans are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.		
Note 17 - Other current financial assets		
(Refer note 3(K)(I) for accounting policy on financial assets)		
Interest accrued on loan to subsidiary (Refer note 46)	**0.09**	11.70
Interest accrued on investments	**-**	2.62
Interest accrued on fixed deposits	**19.48**	18.02
Deposit with banks with original maturity of more than 12 months*	**5.00**	5.00
Other receivables	**60.14**	34.35
Total	**84.71**	71.69
* Fixed deposits of ₹ 5.00 crore (31st December, 2017 - ₹ 5.00 crore) given as security against bank guarantees		
Note 18 - Other current assets		
Unsecured, considered good		
Advances other than capital advances		
Advances	**186.02**	199.63
Balance with statutory / government authorities	**230.86**	249.15
Prepaid expenses	**13.41**	12.63
Prepayments under leases	**1.31**	1.31
Others	**2.49**	0.94
Incentives receivable under government incentive schemes	**153.86**	86.94
Total	**587.95**	550.60
No advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.		
Note 19 - Equity share capital		
(Refer note 3(K)(II)(a) for accounting policy on equity instruments)		
Authorised		
40,000,000,000 (31st December, 2017 - 40,000,000,000) Equity shares of ₹ 2 each	**8,000.00**	8,000.00
150,000,000 (31st December, 2017 - 150,000,000) Preference shares of ₹ 10 each	**150.00**	150.00
Total	**8,150.00**	8,150.00
Issued		
1,985,971,749 (31st December, 2017 - 1,985,971,749) Equity shares of ₹ 2 each fully paid up	**397.19**	397.19
Total	**397.19**	397.19
Subscribed and paid-up		
1,985,645,229 (31st December, 2017 - 1,985,645,229) Equity shares of ₹ 2 each fully paid	**397.13**	397.13
Total	**397.13**	397.13

Notes to Financial Statements

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2018		As at 31.12.2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13
Changes during the year	-	-	-	-
At the end of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, in proportion to their shareholding, after distribution of all preferential amounts.

c) Equity shares held by holding Company, ultimate holding Company and their subsidiaries

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Holderind Investments Limited, Mauritius - holding company		
1,253,156,361 (31st December, 2017 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up	**250.63**	250.63

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

	Particulars	As at 31.12.2018		As at 31.12.2017	
		No. of shares	% holding	No. of shares	% holding
i)	Holderind Investments Limited, Mauritius	**1,253,156,361**	**63.11%**	1,253,156,361	63.11%
ii)	Life Insurance Corporation of India	**96,679,146**	**4.87%**	130,942,329	6.59%

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

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into 186,690 (31st December, 2017 - 186,690) and 139,830 (31st December, 2017 - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company in August, 2016, 584,417,928 equity shares were allotted as fully paid up to the equity shareholders of HIPL, without payment being received in cash.

g) There are no securities which are convertible into equity shares.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 20 - Other equity		
(Refer Statement of Changes in equity for detailed movement in equity balance)		
General reserve	**5,655.83**	5,655.83
Capital redemption reserve	**9.93**	9.93
Capital reserve	**130.71**	130.71
Subsidy	**5.02**	5.02
Securities premium	**12,471.07**	12,471.07
Retained earnings	**2,342.84**	1,303.52
Total	**20,615.40**	19,576.08

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 21 - Non-current borrowings		
(Refer note 3(K)(II)(b) for accounting policy on financial liabilities)		
Secured		
Interest free loan from State Government (Refer notes 1 and 2)	**39.68**	24.12
Total	**39.68**	24.12
Notes		
1. Interest free loans from State Government, secured by bank guarantees (partly backed by pledge of bank fixed deposits) and each loan repayable in single instalment, starting from February 2020 to November 2025 of varying amounts from ₹ 3.59 crore to ₹ 13.39 crore.		
2. Interest free loan from State Government granted under State investment promotion scheme has been considered as a government grant and the difference between the fair value and nominal value as on date is recognised as an income. Accordingly, an amount of ₹ 8.81 crore (31st December, 2017 - ₹ 4.01 crore) has been recognised as an income.		
Note 22 - Other non-current financial liabilities		
(Refer note 3(K)(II)(b) for accounting policy on financial liabilities)		
Liability for capital expenditure	**1.18**	1.75
Total	**1.18**	1.75
Note 23 - Non-current provisions		
(Refer note 3(L)(I) and 3(O) for accounting policy on provisions and retirement and other employee benefits)		
For employee benefits		
Provision for gratuity and other staff benefit schemes (Refer note 43)	**17.19**	16.61
Others		
Provision for mines reclamation expenses *	**21.34**	18.62
Total	**38.53**	35.23
* Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset":		
Opening balance	**18.62**	17.97
Add : Provision during the year	**3.20**	1.83
	21.82	19.80
Add: Unwinding of discount	**1.12**	1.08
Less : Utilisation during the year	**1.60**	2.26
	21.34	18.62
Mines reclamation expenses are incurred on an ongoing basis until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses.		
Note 24 - Deferred tax liabilities (net)		
(Refer note 3(R)(II) for accounting policy on deferred tax)		
Deferred tax liabilities, on account of		
Depreciation and amortisation	**626.20**	666.45
Deferred tax assets, on account of		
Employee benefits	**64.78**	43.16
Provision for slow and non moving spares	**10.91**	10.82
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**55.87**	59.44
Provision against loan and interest thereon receivable from a subsidiary	**16.96**	-
Others	**105.52**	94.67
Total	**254.04**	208.09
Deferred tax liabilities (net)	**372.16**	458.36

Notes to Financial Statements

The major components of deferred tax liabilities / assets on account of timing differences are as follows:

Particulars	As at 1st January, 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31st December, 2018
Deferred tax liabilities, on account of				
Depreciation and amortisation	**666.45**	**(40.25)**	**-**	**626.20**
Deferred tax assets, on account of				
Employee benefits	**43.16**	**22.35**	**(0.73)**	**64.78**
Provision for slow and non moving spares	**10.82**	**0.09**	**-**	**10.91**
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**59.44**	**(3.57)**	**-**	**55.87**
Provision against loan and interest thereon receivable from a subsidiary	**-**	**16.96**	**-**	**16.96**
Others	**94.67**	**10.85**	**-**	**105.52**
Total	**208.09**	**46.68**	**(0.73)**	**254.04**
Deferred tax liabilities (net)	**458.36**	**(86.93)**	**0.73**	**372.16**

Particulars	As at 1st January, 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31st December, 2017
Deferred tax liabilities, on account of				
Depreciation and amortisation	714.02	(47.57)	-	666.45
Deferred tax assets, on account of				
Employee benefits	44.24	1.15	(2.23)	43.16
Provision for slow and non moving spares	14.36	(3.54)	-	10.82
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	56.94	2.50	-	59.44
Others	101.23	(6.56)	-	94.67
Total	216.77	(6.45)	(2.23)	208.09
Deferred tax liabilities (net)	497.25	(41.12)	2.23	458.36

The Company has long term capital losses of ₹ 4.43 crore (31st December, 2017 - ₹ 4.43 crore) for which no deferred tax assets have been recognised. These losses will expire between financial year 2019-20 to 2022-23.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 25 - Other non current liabilities		
Rebate to customers	**7.17**	7.19
Total	**7.17**	7.19
Note 26 - Other current financial liabilities		
(Refer note 3(K)(II)(b) for accounting policy on Financial liability)		
Security deposits	**404.67**	362.10
Liability for capital expenditure	**140.24**	91.84
Unpaid dividends**	**22.01**	23.16
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACRL	**2.50**	2.51
Foreign currency forward contract	**0.09**	-
Others (includes interest on security deposits)	**46.66**	52.39
Total	**616.17**	532.00

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

Notes to Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 27 - Other current liabilities		
Advance received from customers	**86.80**	100.12
Statutory dues	**432.88**	439.86
Others (including interest on income tax and rebates to customers)	**773.97**	925.23
Total	**1,293.65**	1,465.21
Note 28 - Current provisions		
(Refer note 3(O) for accounting policy on retirement and other employee benefits)		
Provision for compensated absences	**91.05**	87.02
Provision for gratuity and staff benefit schemes (Refer note 43)	**-**	0.06
Total	**91.05**	87.08

Particulars	2018 ₹ in crore	2017 ₹ in crore
Note 29 - Revenue from operations		
(Refer Note 3(N)(I) and (II) for accounting policy on Revenue recognition)		
Sale of products (including excise duty - ₹ nil; previous year - ₹ 769.20 crore) (Refer note - 57)	**10,977.00**	11,019.63
Other operating revenues		
Provisions no longer required written back	**7.56**	2.55
Sale of scrap	**42.10**	30.52
Insurance claims	**24.47**	17.37
Incentives and subsidies	**234.22**	85.98
Exchange gain / loss (net)	**-**	8.69
Miscellaneous income (includes other services)	**71.41**	60.38
Total	**11,356.76**	11,225.12
Note 30 - Other income		
(Refer Note 3(N)(III) and (IV) for accounting policy on interest income and dividends)		
Interest income on		
Bank deposits	**146.38**	97.29
Income tax refund	**-**	4.09
Others	**6.89**	11.60
Dividend income		
From subsidiary company	**140.98**	159.77
From joint venture company	**-**	2.25
Other non operating income		
Gain on sale of current financial assets measured at FVTPL	**44.18**	56.16
Net gain on fair valuation of liquid mutual fund measured at FVTPL*	**0.51**	23.00
Gain on sale of non-current investments	**0.16**	-
Interest on income tax written back (Refer note 58)	**35.87**	-
Others	**0.01**	4.93
Total	**374.98**	359.09

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

Particulars	2018 ₹ in crore	2017 ₹ in crore
Note 31 - Cost of materials consumed		
Opening stock	**57.11**	65.82
Add : Purchases	**1,028.93**	900.62
	1,086.04	966.44
Less : closing stock	**72.96**	57.11
Total	**1,013.08**	909.33
Break-up of cost of materials consumed		
Fly ash	**485.83**	412.46
Gypsum	**220.90**	200.93
Others*	**306.35**	295.94
Total	**1,013.08**	909.33
* includes no item which in value individually accounts for 10 percent or more of the total value of materials consumed.		
Note 32 - Change in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Work-in-progress	**338.35**	303.53
Finished goods	**108.65**	77.89
Stock in trade	**0.02**	-
Captive coal	**11.12**	-
	458.14	381.42
Inventories at the beginning of the year		
Work -in-progress	**303.53**	207.68
Finished goods	**77.89**	110.91
Stock in trade	**-**	-
Captive coal	**-**	-
	381.42	318.59
(Increase) / Decrease	**(76.72)**	(62.83)
Note 33 - Employee benefits expense		
Salaries and wages	**575.20**	563.03
Contribution to provident and other funds	**52.36**	50.98
Staff welfare expenses	**52.01**	47.36
Total	**679.57**	661.37
Note 34 - Finance costs		
Interest on:		
Income tax (net of interest income on refund - ₹ Nil; previous year - ₹ 23.20 crore)	**23.20**	50.11
Defined benefit obligation (net)	**0.44**	1.20
Others (includes interest on security deposits)	**54.75**	52.90
Unwinding of financial liabilities	**2.82**	1.90
Unwinding of mines reclamation provision (Refer note 23)	**1.12**	1.08
Total	**82.33**	107.19

Particulars	2018 ₹ in crore	2017 ₹ in crore
Note 35 - Depreciation and amortisation expense		
(Refer Note 3(B) and 3(D) for accounting policy on depreciation and amortisation)		
Depreciation of property, plant and equipment	**546.48**	571.36
Amortisation of intangible assets	**1.61**	1.56
Total	**548.09**	572.92
Note 36 - Freight and forwarding expense		
On finished products	**2,531.37**	2,212.28
On Internal material transfer	**746.20**	659.70
Total	**3,277.57**	2,871.98
Note 37 - Other expenses		
Royalty on minerals	**249.59**	207.78
Consumption of stores and spare parts	**293.74**	298.10
Consumption of packing materials	**415.31**	366.41
Repairs	**197.08**	182.26
Rent (Refer note 44)	**46.86**	40.89
Rates and taxes	**82.87**	80.36
Insurance	**20.18**	19.91
Technology and know-how fees (net off recovery)	**109.47**	102.79
Advertisement	**53.17**	75.56
Donation (Refer note 50)	**52.12**	56.46
Exchange (gain) / loss (net)	**6.25**	-
Miscellaneous expenses * #	**490.50**	474.53
Total	**2,017.14**	1,905.05
* Does not include any item of expenditure with a value of more than 1% of turnover.		
# Miscellaneous expenses include payment to auditors (excluding taxes) :		
Statutory auditor		
as auditor	**2.33**	2.08
for other services	**0.11**	0.02
for reimbursement of expenses	**0.05**	-
	2.49	2.10
Cost auditor		
as auditor	**0.09**	0.07
for reimbursement of expenses	**0.02**	0.05
	0.11	0.12
Total	**2.60**	2.22
Note 38 - Earnings per share (EPS)		
(Refer Note 3(W) for accounting policy on earnings per share)		
i) Profit attributable to equity shareholders of the company for basic and diluted EPS	**1,487.01**	1,249.57
ii) Weighted average number of equity shares for basic EPS	**1,985,645,229**	1,985,645,229
Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992	**316,262**	317,329
iii) Weighted average number of shares for diluted EPS	**1,985,961,491**	1,985,962,558
iv) Nominal value of equity share (in ₹)	**2.00**	2.00
v) Earnings per equity share (in ₹)		
Basic	**7.49**	6.29
Diluted	**7.49**	6.29

Notes to Financial Statements

Note 38 - Earnings per share (EPS)

Particulars	2018 ₹ in crore	2017 ₹ in crore
Earnings per share (in ₹) excluding write back of income tax and interest thereon, related to earlier years (Refer note 58)		
i) Profit attributable to equity shareholders of the company for basic and diluted EPS	**1,487.01**	1,249.57
Less: adjustments related to income tax and interest thereon, relating to earlier years	**407.88**	-
Profit attributable to equity shareholders of the company after adjustments related to income tax and interest thereon, relating to earlier years	**1,079.13**	1,249.57
ii) Earnings per equity share (in ₹)		
Basic	**5.43**	6.29
Diluted	**5.43**	6.29

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 39 - Contingent liabilities and commitments (to the extent not provided for)		
(Refer Note 3(L)(II) for accounting policy on contingent liability)		
A) Contingent liabilities and claims against the Company not acknowledged as debts related to various matters *		
a) Labour	**11.44**	34.50
b) Land	**23.04**	22.17
c) Sales tax (i)	**272.91**	266.65
d) Excise, customs and service tax (ii)	**245.58**	62.71
e) Demand from Competition Commission of India (iii)	**1,501.97**	1,368.82
f) Collector of Stamps (iv)	**287.88**	287.88
g) Income tax (Refer note 58)	**413.48**	5.60
h) Others	**154.32**	91.18
Total	**2,910.62**	2,139.51

* In respect of these items, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

i) Includes a matter relating to 75% exemption from sales tax, granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company.

In year 2014, pursuant to the unfavourable decision of the Hon'ble Supreme Court in that similar matter, the sales tax department has initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case decision of the Hon'ble Supreme Court goes against in this matter.

Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December, 2017 - ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company has deposited ₹ 143.52 crore, including interest of ₹ 30.00 crore (31st December, 2017 - ₹ 143.52 crore including interest of ₹ 30.00 crore) towards sales tax under protest and filed a Special Leave Petition in the Hon'ble Supreme Court with one of the grounds that the tax exemption was availed by virtue of the order passed by the Board for Industrial & Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

ii) Includes, a matter wherein service tax department issued show cause notices for denial of cenvat credit with regard to service tax paid on outward transportation for sale to customers on F.O.R. bais. The Company availed the credit based on legal provision and various judicial precedence and matter was categorised as "remote". Recently, on the same matter of another cement company, Hon'ble Supreme Court has allowed service tax credit, however, in another case of the same company, Hon'ble Supreme Court has opined against the assessee. Considering conflicting decision and Central Board of Excise and Customs (CBIC) circular, based on legal opinion, the Company has revisited the matter and treated the same as "possible". Accordingly ₹ 180.28 crore has been disclosed as contingent liability.

iii) a) In 2012, the Competition Commission of India (CCI) has imposed a penalty of ₹ 1,163.91 crore (31st December, 2017 - ₹ 1,163.91 crore) on the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. On Company's appeal, Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August, 2016, has imposed a penalty of ₹ 1,163.91 crore (31st December, 2017 - ₹ 1,163.91 crore) on the Company. The Company has filed an appeal against the said Order before the COMPAT. The COMPAT, vide its interim order dated 21st November, 2016 has stayed the penalty with a condition to deposit 10% of the penalty amount, in the form of fixed deposit (the said condition has been complied with) and levy of interest of 12% p.a., in case the appeal is decided against the appellant. Meanwhile, pursuant to the notification issued by Central Government on 26th May, 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT).

NCLAT, vide its Order dated 25th July, 2018, dismissed the Company's appeal and upheld the CCI's order. Against this, the Company appealed to the Hon'ble Supreme Court, which by its order dated 5th October, 2018 admitted the appeal and directed to continue the interim order passed by the Tribunal, in the meantime.

b) In a separate matter, pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI by its Order dated 19th January, 2017 has imposed a penalty of ₹ 29.84 crore (31st December, 2017 - ₹ 29.84 crore) on the Company. On Company's appeal, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company believes it has good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the matter has been disclosed as contingent liability along with interest of ₹ 308.22 crore (31st December, 2017 - ₹ 175.07 crore).

iv) The Collector of Stamps, Delhi vide its Order dated 7th August, 2014, directed erstwhile Holcim (India) Private Limited (HIPL), (merged with the Company), to pay stamp duty (including penalty) of ₹ 287.88 crore (31st December, 2017 - ₹ 287.88 crore) on the merger order passed by Hon'ble High Court of Delhi, approving the merger of erstwhile Ambuja Cement India Private Limited with HIPL. HIPL had filed a writ petition and the Hon'ble High Court of Delhi has granted an interim stay. Based on the advice of external legal counsel, the Company believes that it has good grounds for success in writ petition. Accordingly, no provision is considered necessary.

B) Commitments

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**462.65**	325.30

Note 40 - Material demand and disputes considered as "remote"

One of the Company's cement manufacturing plants located in the state of Himachal Pradesh was eligible under the State industrial policy for deferral of its sales tax liability arising on sale of cement manufactured in the said plant. The excise and taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 66.94 crore (31st December, 2017 - ₹ 66.94 crore) was raised. The Company filed a writ petition before Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes that its case is strong and the demand shall not sustain under law.

Note 41 - Reconciliation of tax expenses and effective tax rate

Particulars	2018 ₹ in crore	In %	2017 ₹ in crore	In %
Profit before tax	**1,506.07**		1,619.12	
At statutory income tax rate *	**524.71**	**34.84%**	560.38	34.61%
Effect of tax exempt dividend income	**(49.26)**	**(3.27%)**	(56.02)	(3.46%)
Effect of non deductible expenses	**17.39**	**1.15%**	33.68	2.08%
Effect of allowances / tax holidays for tax purpose	**(105.92)**	**(7.03%)**	(140.86)	(8.70%)
Effect of previous year adjustments (Refer note 58)	**(372.01)**	**(24.70%)**	(24.12)	(1.49%)
Others	**4.14**	**0.27%**	(3.51)	(0.21%)
At the effective income tax rate	**19.06**	**1.26%**	369.55	22.83%
Tax expense reported in Statement of profit or loss	**19.06**	**1.26%**	369.55	22.83%

* Company follows calender year as financial year, therefore aplicable statutory income tax rate is weighted average rate.

Notes to Financial Statements

Note 42 - Segment reporting

(Refer note 3(T) for accounting policy on segment reporting)

The principal business of the Company is of manufacturing and sale of cement and cement related products. All other activities of the Company revolve around its main business. The Executive Committee of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. CODM have concluded that there is only one operating reportable segment as defined by Ind AS 108 - Operating Segments, i.e. cement and cement related products.

A) Disclosure of geographical information

The Company operates in geographical areas - India (country of domicile) and others (outside India).

Particular		Revenues from customers		Non-current assets*	
		2018 ₹ in crore	2017 ₹ in crore	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
a)	India	**10,977.00**	11,016.73	**7,507.31**	7,163.26
b)	Others#	**-**	2.90	**-**	-
	Total	**10,977.00**	11,019.63	**7,507.31**	7,163.26

* As per Ind AS 108 - Operating Segments, non current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

Sales outside India are in functional currency.

B) Information about major customers

No single customer contributes 10% or more to the Company's revenue during the years ended 31st December, 2018 and 31st December, 2017.

Note 43 - Employee benefits

(Refer note 3 (O) for accounting policy on retirement and other employee benefits)

a) Defined contribution plans

Defined contribution plans - amount recognised and included in note 33 "contribution to provident and other funds" of statement of profit and loss ₹ 29.27 crore (previous year - ₹ 28.09 crore).

b) Defined benefit plans - as per actuarial valuation

Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary).

c) Inherent risk

The plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, demographic risk, salary inflation risk and longevity risk.

Investment risk : As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will tend to increase.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

Salary Inflation risk : All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation.

Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d) Other non funded plans for current year include post employment healthcare benefits and for previous year death and disability benefits, non-funded gratuity, post employment healthcare benefits to certain employees.

Notes to Financial Statements

Note 43 - Employee benefits

Summary of 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			2018		2017	
			Funded	Other non funded	Funded	Other non funded
			₹ in crore	₹ in crore	₹ in crore	₹ in crore
I	**Expense recognised in the statement of profit and loss**					
	1	Current service cost	**10.26**	**0.45**	10.60	0.86
	2	Interest cost	**9.89**	**0.73**	9.49	0.76
	3	Interest (income) on plan assets	**(10.18)**	**-**	(9.05)	-
		Total	**9.97**	**1.18**	11.04	1.62
II	**Net asset / (liability) recognised in the balance sheet**					
	1	Present value of defined benefit obligation*	**140.50**	**11.17**	141.96	12.68
	2	Fair value of plan assets	**135.08**	**-**	138.47	-
	3	Funded status [surplus / (deficit)]	**(5.42)**	**(11.17)**	(3.49)	(12.68)
	4	Net asset / (liability)	**(5.42)**	**(11.17)**	(3.49)	(12.68)
III	**Change in defined benefit obligation during the year**					
	1	Present value of defined benefit obligation at the beginning of the year	**141.96**	**12.68**	139.34	10.99
	2	Current service cost	**10.26**	**0.45**	10.60	0.86
	3	Interest service cost	**9.89**	**0.73**	9.49	0.76
	4	Actuarial (gains) / losses recognised in other comprehensive income				
		-- Change in financial assumptions	**(1.79)**	**(0.44)**	(3.41)	(0.66)
		-- Experience changes	**0.24**	**(1.63)**	(4.58)	0.99
	5	Benefit payments	**(19.77)**	**(0.13)**	(9.49)	(0.26)
	6	Net transfer in on account of business combinations / others	**(0.29)**	**-**	0.01	-
	7	Present value of defined benefit obligation at the end of the year*	**140.50**	**11.66**	141.96	12.68
IV	**Change in fair value of assets during the year**					
	1	Plan assets at the beginning of the year	**138.47**	**-**	125.43	-
	2	Interest income	**10.18**	**-**	9.05	-
	3	Contribution by employer	**7.00**	**-**	15.50	-
	4	Actual benefit paid	**(19.77)**	**-**	(9.49)	-
	5	Return on plan assets (excluding interest income)	**(0.80)**	**-**	(2.02)	-
	6	Plan assets at the end of the year	**135.08**	**-**	138.47	-
V	**Re-measurements recognised in other comprehensive income (OCI)**					
	1	Change in financial assumptions	**(1.79)**	**(0.44)**	(3.41)	(0.66)
	2	Experience changes	**0.24**	**(1.63)**	(4.58)	0.99
	3	Return on plan assets (excluding interest income)	**0.80**	**-**	2.02	-
	4	Amount recognised in OCI	**(0.75)**	**(2.07)**	(5.97)	0.33

* During the year, the Company has discontinued actuarial valuation for its one "other non-funded" plan and mergerd another "non-funded plan" into "funded plan. Accordingly "present value of defined benefit obligation" of non funded plan is having a difference of ₹ 0.49 crores for the current year.

Notes to Financial Statements

Note 43 - Employee benefits

Particulars			2018		2017	
			Funded	Other non funded	Funded	Other non funded
			₹ in crore	₹ in crore	₹ in crore	₹ in crore
VI	**Maturity profile of defined benefit obligation**					
	1	Within the next 12 months	**14.90**	**0.14**	14.80	0.31
	2	Between 1 and 5 years	**62.78**	**0.99**	65.05	1.82
	3	Between 5 and 10 years	**72.48**	**3.06**	70.82	3.54
VII	**Sensitivity analysis for significant assumptions***					
	Present value of defined benefits obligation at the end of the year (for change in 100 basis points)					
	1	For increase in discount rate by 100 basis points	**132.12**	**9.28**	133.68	10.88
	2	For decrease in discount rate by 100 basis points	**149.90**	**13.63**	151.24	14.87
	3	For increase in salary rate by 100 basis points	**149.85**	**NA**	150.98	0.49
	4	For decrease in salary rate by 100 basis points	**132.00**	**NA**	133.77	0.46
	5	For increase in medical inflation rate by 100 basis points	**NA**	**13.59**	NA	12.21
	6	For decrease in medical inflation rate by 100 basis points	**NA**	**9.27**	NA	12.17
		* These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the reporting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.				
VIII	**The major categories of plan assets as a percentage of total plan**					
	Qualifying insurance policy with Life Insurance Corporation of India (LIC)#		**100%**	**NA**	100%	NA
IX	**Weighted average duration of defined benefit obligation**		**10 years**	**NA**	9 years	4-7 years
X	**Actuarial assumptions**					
	1	Discount rate (% p.a.)	**7.55%**	**7.55%**	7.35%	7.35%
	2	Expected rate of return on plan assets (% p.a.)	**7.55%**	**NA**	8.00%	NA
	3	Mortality	**Indian Assured Lives Mortality (IALM) (2006-08) Ult.**		Indian Assured Lives Mortality (IALM) (2006-08) Ult.	
	4	Turnover rate	**Upto age 44 years: 5% and above 44 years: 1%**		Upto age 44 years: 5% and above 44 years: 1%	
	5	Medical premium inflation (% p.a.)	**NA**	**8%**	NA	8%
	6	Retirement Age	**58 - 60 years**	**58 - 60 years**	58 years	58 - 60 years
	7	Salary escalation (% p.a.)	**7%**	**7%**	7%	7%
		# In the absence of detailed information regarding plan assets which is funded with LIC, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.				

XI Basis used to determine expected rate of return on assets

The Company has considered the current level of returns declared by LIC, i.e. 8.00% to develop the expected long-term return on assets for funded plan of gratuity.

XII 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.

Note 43 - Employee benefits

e) Amount recognised as expense in respect of compensated absences is ₹ 16.23 crore (previous year - ₹ 5.97 crore).

f) The company expects to make contribution of ₹ 14.90 crore (previous year - ₹ 14.00 crore) to the defined benefit plans during the next year.

g) Provident fund managed by a trust set up by the Company

The Company has contributed ₹ 7.61 crore (previous year - ₹ 7.74 crore) towards provident fund liability. Deficit of ₹ 0.07 crore (previous year - ₹ Nil) in the accumulated corpus fund is recognised in the statement of profit and loss.

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Details of the fund and asset position		
Plan assets at the year end, at fair value	**139.27**	128.53
Present value of benefit obligation at year end	**139.87**	129.06
Net liability / (asset) *	**0.60**	0.53
Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach are :		
Discount rate	**7.55%**	7.35%
Interest rate guarantee	**8.55%**	8.65%
Expected rate of return of assets	**8.80%**	8.60%

* Only liability is recognised in the books

Note 44 - Leases

(Refer note 3(S) for accounting policy on leases)

A) Operating leases - Company as a lessee

i) The Company has entered into various long term lease agreements for land. The Company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at 31st December, 2018 aggregating ₹ 36.86 crore (31st December, 2017 - ₹ 38.18 crore) is included in other non current / current assets, as applicable.

ii) The Company has also taken various residential premises, lands, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

iii) The lease payments recognised in the statement of profit and loss under other expenses amounts to ₹ 46.86 crore (31st December, 2017 - ₹ 40.89 crore).

iv) The lease payments recognised in the statement of profit and loss under freight and forwarding expense on finished products amounts to ₹ 35.94 crore (31st December, 2017 - ₹ 32.05 crore).

v) General description of the leasing arrangement:

Future lease rentals are determined on the basis of agreed terms. There are no restrictions imposed by lease arrangements. There are no subleases.

Future lease rental payments under non-cancellable operating leases are as follows :

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Not later than one year	**22.73**	45.16
Later than one year and not later than five years	**35.22**	44.83
Later than five years	**23.16**	24.89
Total	**81.11**	114.88

The Company has concluded that it is impracticable to separate the lease payments from other payments made under the arrangement reliably and hence all payments under this arrangement are considered as lease payments.

B) Finance leases - Company as a lessee

The Company has entered into various finance lease agreements for land which have been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land (Refer note 4). The Company does not have an option to purchase such leasehold land at the end of the lease period. There are no restrictions such as those concerning dividends, additional debts and further leasing imposed by the lease agreement.

Note 45

Disclosure as required under Section 186 of the Companies Act, 2013 and Regulation 34 of Listing Obligations and Disclosure Requirements

Particulars	As at 31.12.2018		As at 31.12.2017	
	Outstanding balance	Maximum balance outstanding during the year	Outstanding balance	Maximum balance outstanding during the year
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Loans in the nature of unsecured loans given to subsidiaries:				
a) Dirk India Private Limited (For working capital requirement, carrying interest @ 12% p.a. The Board has extended moratorium period for repayment upto 31st March, 2019 and also granted waiver of interest on unpaid interest for the extended period. Further, Company has made provision against loans and interest receivable thereon as on 31st December, 2018 (Refer note 59 (b)).	**37.94**	**37.94**	37.94	42.58
b) Chemical Limes Mundwa Private Limited (For working capital requirement. Repayment on call basis and carries an interest rate @ 12% p.a)	**1.03**	**1.03**	0.85	0.85

Notes :

1) None of the loanees have made, per se, investment in the shares of the Company.

2) For investments disclosure, refer notes 7 and 8.

3) Outstanding loans as disclosed above do not include interest accrued thereon.

Note 46 - Related party disclosure

1) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
i)	LafargeHolcim Limited, Switzerland	Ultimate Holding Company
ii)	Holderfin B.V, Netherlands	Intermediate Holding Company
iii)	Holderind Investments Limited, Mauritius	Holding Company
iv)	ACC Limited	Subsidiary
v)	M.G.T. Cements Private Limited	Subsidiary
vi)	Chemical Limes Mundwa Private Limited	Subsidiary
vii)	Dang Cement Industries Private Limited, Nepal	Subsidiary
viii)	Dirk India Private Limited	Subsidiary
ix)	OneIndia BSC Private Limited	Subsidiary
x)	ACC Mineral Resources Limited	Subsidiary of ACC Limited
xi)	Lucky Minmat Limited	Subsidiary of ACC Limited
xii)	National Limestone Company Private Limited	Subsidiary of ACC Limited
xiii)	Singhania Minerals Private Limited	Subsidiary of ACC Limited
xiv)	Bulk Cement Corporation (India) Limited	Subsidiary of ACC Limited

Notes to Financial Statements

Note 46 - Related party disclosure

B) Others, with whom transactions have taken place during the current year and / or previous year

i) Related parties

Sr	Name	Nature of Relationship
a)	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
b)	Holcim Technology Limited, Switzerland	Fellow Subsidiary
c)	Holcim Services (South Asia) Limited	Fellow Subsidiary
d)	Holcim Trading FZCO., UAE	Fellow Subsidiary
e)	Holcim (Romania) S.A., Romania	Fellow Subsidiary
f)	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
g)	LafargeHolcim Building Materials (China) Co., Ltd	Fellow Subsidiary
h)	Lafarge Cement AS	Fellow Subsidiary
i)	Geocycle (Deutschland) Gmbh., Deutschland	Fellow Subsidiary
j)	Lafarge Centre De Recherhe S.A.S,France	Fellow Subsidiary
k)	Counto Microfine Products Private Limited	Joint Venture
l)	Asian Concretes and Cements Private Limited	Associate of Subsidiary
m)	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
n)	Ambuja Cements Limited Employees Grautity Fund Trust	Trust (Post-employment benefit plan)

ii) Key Management Personnel

Sr	Name	Nature of Relationship
a)	Mr. N.S. Sekhsaria	Non-Executive Director
b)	Mr. Eric Olsen	Non-Executive Director (upto 20th September, 2017)
c)	Mr. Jan Jenisch	Non-Executive Director (with effect from 24th October, 2017)
d)	Mr. Martin Kriegner	Non-Executive Director
e)	Mr. Christof Hassig	Non-Executive Director
f)	Ms. Usha Sangwan	Non-Executive Director (upto 20th December, 2018)
g)	Mr. B.L.Taparia	Non-Executive Director
h)	Mr. Nasser Munjee	Independent Director
i)	Mr. Rajendra P. Chitale	Independent Director
j)	Mr. Shailesh Haribhakti	Independent Director
k)	Dr. Omkar Goswami	Independent Director
l)	Mr. Haigreve Khaitan	Independent Director
m)	Mr. Roland Kohler	Non-Executive Director (with effect from 20th February, 2018)
n)	Mr. Ajay Kapur	Managing Director & Chief Executive Officer
o)	Mr. Suresh Joshi	Chief Financial Officer
p)	Mr. Rajiv Gandhi	Company Secretary

Notes to Financial Statements

Note 46 - Related party disclosure

2 Transactions with related party

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
A) Transactions with subsidiaries		
1 Purchase of goods		
Dirk India Private Limited	**0.87**	2.14
ACC Limited	**31.72**	32.35
	32.59	34.49
2 Sale of goods		
ACC Limited	**35.02**	14.75
3 Rendering of services		
ACC Limited	**47.40**	48.44
4 Interest income	**-**	
Dirk India Private Limited	**4.55**	4.75
Chemical Limes Mundwa Private Limited	**0.12**	0.10
	4.67	4.85
5 Receiving of services		
Dirk India Private Limited	**15.84**	11.77
ACC Limited	**47.43**	52.93
OneIndia BSC Private Limited	**25.38**	22.00
	88.65	86.70
6 Purchase of fixed asset		
ACC Limited	**19.23**	13.13
7 Dividend Received		
ACC Limited	**140.98**	159.77
8 Other recoveries		
Dirk India Private Limited	**-**	0.08
ACC Limited	**0.01**	0.04
	0.01	0.12
9 Other payments		
ACC Limited	**0.62**	0.31
OneIndia BSC Private Limited	**0.01**	-
	0.63	0.31
10 Inter corporate deposits and loans given		
Chemical Limes Mundwa Private Limited	**0.18**	0.10
	-	
11 Loans / inter corporate deposits given outstanding at the year end		
Secured		
Dirk India Private Limited	**-**	-
Chemical Limes Mundwa Private Limited	**-**	-
Unsecured, considered good		
Dirk India Private Limited	**-**	37.94
Chemical Limes Mundwa Private Limited	**1.03**	0.85
Unsecured loans which have significant increase in credit risk		
Dirk India Private Limited (Refer note 59(b))	**37.94**	-
	38.97	38.79

Notes to Financial Statements

Note 46 - Related party disclosure

Particulars			As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
	12	**Amount receivable at the year end**		
		Unsecured, considered good		
		Dirk India Private Limited	**-**	11.64
		Chemical Limes Mundwa Private Limited	**0.09**	0.07
		ACC Limited	**18.35**	16.95
		Unsecured interest on loans which have significant increase in credit risk		
		Dirk India Private Limited (Refer note 59(b))	**10.60**	-
			29.04	28.66
	13	**Amount payable at the year end**		
		Dirk India Private Limited	**2.48**	3.41
		ACC Limited	**15.22**	29.31
		OneIndia BSC Private Limited	**2.86**	2.01
			20.56	34.73
B)	**Transactions with fellow subsidiaries**			
	1	**Purchase of goods**		
		LafargeHolcim Energy Solutions S.A.S., France	**264.90**	291.12
		LafargeCentre De Recherhe S.A.S., France	**-**	0.02
			264.90	291.14
	2	**Receiving of services**		
		Holcim Group Services Limited, Switzerland	**1.60**	2.08
		Holcim Technology Limited, Switzerland	**109.46**	101.67
		Holcim Services (South Asia) Limited	**66.85**	66.88
			177.91	170.63
	3	**Rendering of services**		
		Holcim Services (South Asia) Limited	**2.56**	-
	4	**Other recoveries**		
		LafargeHolcim Energy Solutions S.A.S., France	**0.13**	0.06
		Holcim Technology Limited, Switzerland	**0.13**	0.96
			0.26	1.02
	5	**Other payments**		
		LafargeHolcim Energy Solutions S.A.S., France	**2.33**	3.47
		LafargeHolcim Building Materials China	**0.88**	-
		Lafarge Cement AS	**0.01**	-
		Holcim Technology Limited, Switzerland	**0.96**	-
			4.18	3.47
	6	**Amounts payable at the year end**		
		Holcim Technology Limited, Switzerland	**29.08**	23.07
		Holcim Services (South Asia) Limited	**-**	3.04
		Holcim (Romania) S.A., Romania	**0.03**	0.03
		Holcim Trading FZCO, UAE	**0.18**	0.17
		Holcim Group Services Limited, Switzerland	**0.66**	0.26
		LafargeCentre De Recherhe S.A.S., France	**-**	0.02
		Geocycle (Deutschland) Gmbh., Deutschland	**-**	0.01
		LafargeHolcim Energy Solutions S.A.S., France	**69.89**	79.43
		LafargeHolcim Building Materials (China) Co., Limited	**0.89**	-
			100.73	106.03
	7	**Amount receivable at the year end**		
		Holcim Services (South Asia) Limited	**2.90**	-
C)	**Transactions with Holding company**			
		Dividend paid		
		Holderind Investments Limited, Mauritius	**250.63**	350.88

Notes to Financial Statements

Note 46 - Related party disclosure

Particulars			As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
D)	Transactions with Associates			
	1	Purchase of Goods		
		Asian Concretes and Cements Private Limited	-	2.39
	2	Other Recoveries		
		Asian Concretes and Cements Private Limited	-	0.03
E)	Transactions with joint ventures			
	1	Sale of Goods		
		Counto Microfine Products Private Limited	-	0.01
	2	Rendering of services		
		Counto Microfine Products Private Limited	3.02	2.16
	3	Dividend Received		
		Counto Microfine Products Private Limited	-	2.25
	4	Amounts receivable at the year end		
		Counto Microfine Products Private Limited	0.61	0.51
	5	Buy back of shares		
		Counto Microfine Products Private Limited	1.50	-
F)	Transactions with key management personnel			
	1	Short term employee benefits (Refer note 4 below)		
		Mr. Ajay Kapur (Refer note 5 below)	10.51	8.89
		Mr. Suresh Joshi	2.54	2.18
		Mr. Rajiv Gandhi	0.96	0.84
			14.01	11.91
	2	Post employment benefit		
		Mr. Ajay Kapur	0.45	0.41
		Mr. Suresh Joshi	0.22	0.20
		Mr. Rajiv Gandhi	0.11	0.10
			0.78	0.71
	3	Commission, Sitting fees, advisory fees and other reimbursement		
		Mr. N.S. Sekhsaria	0.56	0.56
		Mr. Eric Olsen	-	0.16
		Mr. Martin Kriegner (Refer note 3 below)	0.05	0.42
		Mr. Christof Hassig	0.24	0.25
		Ms. Usha Sangwan	0.20	0.22
		Mr. Nasser Munjee	0.45	0.43
		Mr. Rajendra P. Chitale	0.57	0.58
		Mr. Shailesh Haribhakti	0.43	0.45
		Dr. Omkar Goswami	0.44	0.46
		Mr. Haigreve Khaitan	0.43	0.41
		Mr. Jan Jenisch	0.21	0.04
		Mr Roland Kohler	0.19	-
		Mr. B.L.Taparia	1.37	1.52
			5.14	5.50
			19.93	18.12

Notes to Financial Statements

Note 46 - Related party disclosure

Notes

1 The company is required to contribute a specified percentage of the employee compensation for eligible employees towards provident fund. For the same the Company makes monthly contributions to a trust specified for this purpose. During the year, the Company has contributed ₹ 5.15 crore (previous year - ₹ 4.97 crore).
2 The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year, the Company has contributed ₹ 7.00 crore (previous year - ₹ 15.50 crore)
3 Mr. Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 23rd October, 2018.
4 Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included.
5 The performance incentive to Managing director and Chief Executive Officer is accounted for as and when it is approved by the Board of Directors.
6 The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for trade receivables from related parties (previous year - nil).

Note 47 - Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A) Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

Level 1 - This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B) Classification of financial assets and liabilities

Particulars	Note	Carrying value		Fair value		Valuation technique and key inputs
		As at 31.12.2018	As at 31.12.2017	**As at 31.12.2018**	As at 31.12.2017	
		₹ in crore	₹ in crore	**₹ in crore**	₹ in crore	
Financial assets						
Measured at fair value through the statement of profit and loss (FVTPL)						
Investment in equity shares (other than subsidiaries, joint ventures and associates) (Level 3)	8	**-**	-	**-**	-	Discounted cash flow method
Cash and cash equivalents - investment in liquid mutual funds (Level 1)	14	**230.51**	1,483.22	**230.51**	1,483.22	Using net asset value
Measured at amortized cost						
Trade Receivables	13	**470.26**	307.97	**470.26**	307.97	
Loans (Current and Non-Current)	9, 16	**64.63**	96.81	**64.63**	96.81	
Investments in bonds (Level 2)	8	**-**	29.60	**-**	25.38	Discounted cash flow method
Cash and cash equivalents - others	14	**2,919.82**	1,827.42	**2,919.82**	1,827.42	
Bank balances other than cash and cash equivalents	15	**179.64**	186.43	**179.64**	186.43	

Notes to Financial Statements

Note 47 - Financial instruments

Particulars	Note	Carrying value		Fair value		Valuation technique and key inputs
		As at 31.12.2018	As at 31.12.2017	**As at 31.12.2018**	As at 31.12.2017	
		₹ in crore	₹ in crore	**₹ in crore**	₹ in crore	
Other financial assets (Current and Non-Current)	10,17	**135.04**	113.87	**135.04**	113.87	
Measured at fair value through other comprehensive income		**-**	-	**-**	-	
Total		**3,999.90**	4,045.32	**3,999.90**	4,041.10	
Financial liabilities						
Measured at fair value through the statement of profit and loss (FVTPL)		**-**	-	**-**	-	
Foreign currency forward contract		**0.09**	-	**0.09**	-	
Measured at amortized cost						
Trade payables		**1,109.46**	1,046.53	**1,109.46**	1,046.53	
Other financial liabilities (Current and Non-Current)	22, 26	**617.26**	533.75	**617.26**	533.75	
Interest free loan from State Government (Level 3)	21	**39.68**	24.12	**27.16**	16.32	Discounted cash flow method
Total		**1,766.49**	1,604.40	**1,753.97**	1,596.60	

The Company considers that the carrying amount of loans, other financial assets, trade receivables, cash and cash equivalents excluding investments in liquid mutual funds, bank balances other than cash and cash equivalents, other financial liabilities (excluding derivative financial instruments) and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

C) The following methods and assumptions were used to estimate the fair values :

Quoted bid prices in an active market - unadjusted quoted price in principle market in which equity instrument is actively traded.

Investments in liquid mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Under Discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.

Note 48 - Capital management

The Company's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework.

The management of the Company reviews the capital structure of the Company on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

The Company does not have any debt funding and thus meets its capital requirement through internal accruals. The Company is not subject to any externally imposed capital requirements.

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Total debt	**39.68**	24.12
Less : Cash and cash equivalents	**3,150.33**	3,310.64
Net debt	**(3,110.65)**	(3,286.52)
Total equity	**21,012.53**	19,973.21
Debt to Equity Net	**Nil**	Nil

Notes to Financial Statements

Note 49 - Dividend distribution made and proposed

Particulars		2018 ₹ in crore	2017 ₹ in crore
A)	**Cash dividends on equity shares declared and paid**		
i)	Interim dividend for the year ended 31st December, 2018 ₹ Nil (31st December, 2017 - ₹ 1.60 per share)	-	317.70
ii)	Dividend distribution tax on interim dividend	-	43.63
iii)	Final dividend for the year ended 31st December, 2017 ₹ 2.00 per share (31st December, 2016 - ₹ 1.20 per share)	**397.13**	238.28
iv)	Dividend distribution tax on final dividend	**52.65**	37.03
	Total	**449.78**	636.64
B)	**Proposed dividends on equity shares**		
i)	Final dividend for the year ended 31st December, 2018 ₹ 1.50 per share (31st December, 2017 - ₹ 2.00 per share)	**297.85**	397.13
ii)	Dividend distribution tax on proposed final dividend *	**34.17**	52.65
	Total	**332.02**	449.78

*Dividend Distribution Tax (DDT) on proposed dividend for the previous year has been changed due to change in dividend distribution tax rate with effect from 1st April, 2018.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon.

Note 50 - Corporate social responsibility

The Company has incurred ₹ 53.46 crore (previous year ₹ 58.79 crore) towards social responsibility activities. It is included in different heads of expenses in the statement of profit and loss. Further, no amount has been spent on construction / acquisition of an asset of the Company and the entire amount has been spent in cash. The amount required to be spent under Section 135 of the Companies Act, 2013, for the year ended 31st December, 2018 is ₹ 25.46 crore (previous year ₹ 27.74 crore) i.e 2% of the average net profits for the last three financial years, calculated as per Section 198 of the Companies Act, 2013.

Note 51 - Assets classified as held for sale

(Refer Note 3(P) for accounting policy on Non-current assets held for sale)

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Plant and equipment	-	0.06
Total	-	0.06

Note 52 - Government grants

(Refer Note 3(V) for accounting policy on government grants and subsidies)

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Recognised in statement of profit and loss		
Incentives and subsidies (under various incentive schemes of State and Central Government)*	**234.22**	85.98
Discounting income on interest free VAT loan from State Government	**8.81**	4.05
Total	**243.03**	90.03

* There are no unfulfilled conditions or contingencies attached to these grants.

Notes to Financial Statements

Note 53

Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary companies, joint venture company and joint operation are accounted at cost

Name of the Company	Principal activities	Country of Incorporation	% of equity interest	
			As at 31.12.2018	As at 31.12.2017
Direct Subsidiaries				
M.G.T Cements Private Limited	Cement and cement related products	India	**100.00%**	100.00%
Chemical Limes Mundwa Private Limited	Cement and cement related products	India	**100.00%**	100.00%
Dang Cement Industries Private Limited	Cement and cement related products	Nepal	**91.63%**	91.63%
Dirk India Private Limited	Cement and cement related products	India	**100.00%**	100.00%
ACC Limited	Cement and cement related products	India	**50.05%**	50.05%
OneIndia BSC Private Limited	Shared Services	India	**75.03%**	75.03%
Joint Venture				
Counto Microfine Products Private Limited	Cement and cement related products	India	**50.00%**	50.00%
Joint Operation				
Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	**27.27%**	27.27%

Note 54 - Financial risk management objectives and policies

The Company has a system-based approach to risk management, established policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks such as market risk, credit risk and liquidity risk that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews policies for managing each of these risks, which are summarized below.

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks a) interest rate risk b) currency risk and c) other price risk. Financial instruments affected by market risk comprise deposits, investments, trade payables.

The Company is not an investor in equity market. The Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and liquid mutual funds (debt market). Mark to market movements in respect of the Company's investments are valued through the statement of profit and loss. Fixed deposits are held with highly rated banks, have a short tenure and are not subject to interest rate volatility.

Assumption made in calculating the sensitivity analysis

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

Notes to Financial Statements

Note 54 - Financial risk management objectives

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the security deposit taken from its dealers.

Interest risk exposure

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Security deposit from dealers (fixed rate)	**404.67**	362.10
Non Interest bearing borrowings	**39.68**	24.12
Total	**444.35**	386.22
Interest rate sensitivities for unhedged exposure*		
Security deposit from dealers (fixed rate)		
Impact of increase in 100 bps	**3.86**	5.71
Impact of decrease in 100 bps	**(3.86)**	(5.71)

* Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company is not exposed to significant foreign currency risk. Based on sensitivity analysis, the Company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The total carrying amount of foreign currency denominated financial assets and liabilities, are as follows

Particulars	As at 31.12.2018		As at 31.12.2017	
	₹ in crore	Foreign currency ₹ in crore	₹ in crore	Foreign currency ₹ in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	**2.66**	**0.04**	0.39	0.01
DKK	**-**	**-**	-	-
EURO	**4.38**	**0.05**	4.26	0.06
GBP	**0.01**	**-**	-	-
JPY	**1.01**	**1.60**	-	0.01
SEK	**0.27**	**0.03**	0.01	-
SGD	**0.12**	**-**	0.10	-
USD	**10.59**	**0.16**	90.62	1.33
CNY	**0.89**	**0.09**	-	-
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports	**64.11**	**0.91**	-	-
Trade receivables, loans and other financial assets				
USD	**2.55**	**0.04**	2.76	0.04
CHF	**0.17**	**-**	0.54	0.01
DKK	**0.01**	**-**	-	-
EURO	**6.32**	**0.06**	7.03	0.10
GBP	**0.01**	**-**	-	-
JPY	**1.90**	**3.01**	-	0.01
SGD	**0.22**	**-**	0.07	-
SEK	**0.24**	**0.03**	-	-

Note 54 - Financial risk management objectives

Foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

Particular	As at 31.12.2018		As at 31.12.2017	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Trade Payables				
CHF	**0.03**	**(0.03)**	-	-
EURO	**0.04**	**(0.04)**	0.04	(0.04)
GBP	**-**	**-**	0.04	(0.04)
JPY	**0.01**	**(0.01)**	-	-
SEK	**-**	**-**	-	-
SGD	**-**	**-**	-	-
USD	**0.11**	**(0.11)**	0.91	(0.91)
CNY	**0.01**	**(0.01)**	-	-
Trade Receivable				
USD	**0.02**	**(0.02)**	0.03	(0.03)
CHF	**-**	**-**	0.01	(0.01)
DKK	**-**	**-**	-	-
EURO	**0.07**	**(0.07)**	0.07	(0.07)
GBP	**-**	**-**	-	-
JPY	**0.02**	**(0.02)**	-	-
SGD	**0.01**	**(0.01)**	-	-
SEK	**-**	**-**	-	-

In the Company's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year / in future years.

c) Other price risk

Other price risk includes commodity price risk. The Company primarily imports coal, pet coke and gypsum. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balances with banks, investments in liquid mutual funds (debt markets), trade receivables and loans. None of the financial instruments of the Company result in material concentration of credit risks.

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Long-term loans to related party	**38.83**	0.89
Interest receivable from related party	**10.60**	-
Trade receivables	**3.82**	5.86
Total	**53.25**	6.75

Note 54 - Financial risk management objectives

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Trade receivables consist of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. The exposure in credit risk arising out of major customers is generally backed either by bank guarantee, letter of credit or security deposits.

The Company does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales.

The ageing analysis of trade receivables :

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Up to 6 months	**449.93**	298.84
More than 6 months	**20.33**	9.13
Total	**470.26**	307.97
Movement in expected credit loss allowance of financial assets		
Balance at the beginning of the year	**6.75**	6.19
Add: provided during the year	**50.39**	1.92
Less : reversal of provisions	**3.89**	1.36
Balance at the end of the year	**53.25**	6.75

Financial instruments and cash deposits

Credit risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial Institutions. Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Total non-current investments and investments in liquid mutual funds as on 31st December, 2018 are ₹ 11,813.76 crore and ₹ 230.51 crore (31st December, 2017 - ₹ 11,844.70 crore and ₹ 1,483.22 crore)

C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on undiscounted contractual payments.

Particulars	**Less Than 1 year**	**More than 1 year**	**Total**
	₹ in crore	**₹ in crore**	**₹ in crore**
As at 31st December, 2018			
Borrowings (including current maturities of non-current debts)	**-**	**39.68**	**39.68**
Trade payables	**1,109.46**	**-**	**1,109.46**
Other financial liabilities *	**616.17**	**1.18**	**617.35**
Total	**1,725.63**	**40.86**	**1,766.49**
Cash and cash equivalents	**3,150.33**	**-**	**3,150.33**

Notes to Financial Statements

Note 54 - Financial risk management objectives

Particulars	Less Than 1 year ₹ in crore	More than 1 year ₹ in crore	Total ₹ in crore
As at 31st December, 2017			
Borrowings (including current maturities of non-current debts)	-	24.12	24.12
Trade payables	1,046.53	-	1,046.53
Other financial liabilities *	532.00	1.75	533.75
Total	1,578.53	25.87	1,604.40
Cash and cash equivalents	3,310.64		3,310.64

* Other financial liabilities includes deposits received from customers amounting to ₹ 404.67 crore (previous year - ₹ 362.10 crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

Note 55 - Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

On 28th March 2018, the Ministry of Corporate Affairs (MCA) notified the new revenue recognition standard, viz., Ind AS 115 Revenue from Contracts with Customers, applicable from the financial years beginning on or after 1st April, 2018. It is applicable to Company from the year beginning 1st January, 2019 . It replaces virtually all the existing revenue recognition requirements under Ind AS, including Ind AS 11 Construction Contracts, Ind AS 18 Revenue and the Guidance Note on Accounting for Real Estate Transactions.

It prescribes a five-step model to help entities decide the timing and amount of revenue recognition from contracts with customers. Ind AS 115 prescribes the ‘control approach’ for revenue recognition as against the ‘risk and reward’ model under Ind AS 18. The standard also contains extensive disclosure requirements.

Except for the disclosure requirements, the new standard will not materially impact the financial statements.

Note 56 - Total outstanding dues of micro enterprises and small enterprises *

Disclosure of Micro, Small and Medium Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers.

	Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	**0.51**	0.76
	Interest	**0.01**	0.06
b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
	Principal	**28.76**	21.61
	Interest	**0.26**	0.16
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	**0.03**	0.22

Notes to Financial Statements

Note 56 - Total outstanding dues of micro enterprises and small enterprises *

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
d) The amount of interest accrued and remaining unpaid at the end of the year	**0.04**	0.28
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

* This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 57

a) Excise duty includes excise duty paid on sale of goods and excise duty on captive consumption of clinker.

b) The Government of India introduced the Goods and Services tax (GST) with effect from 1st July, 2017. Consequently revenue for the previous year ended 31st December, 2017, includes excise duty up to 30th June, 2017.

Note 58

The Company was entitled to incentives from Government at its plant located in the states of Himachal Pradesh and Uttarakhand, in respect of Income tax assessment years 2006-07 to 2015-16. The Company contended that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income tax department had, initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). The Company had received one favourable order from the assessing officer and one appellate order from the CIT-A against which the department has filed an appeal in the Income Tax Tribunal (ITAT). Considering unfavourable orders by the Income tax department, the Company, up to 31st December, 2017, had classified the risk for these matters as probable and provided for the same.

During the year and the period subsequent to the balance sheet date, the CIT-A decided the matter in favour of the Company for two more years, against which the department has filed an appeal in the ITAT in one of the years and for another year, the window period of sixty days for filing of appeal is not yet over.

In view of the series of repeated favourable orders by the Income tax department in the current year, coupled with the fact, that ACC Limited, a subsidiary company also received favourable orders, the Company again reviewed the matter and, after considering the legal merits of the Company's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT (A) during the current year, as mentioned above, the Company has reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

Accordingly the Company has reversed:

a) the existing provisions of ₹ 372.01 crore resulting in reduction in current tax liabilities by ₹ 245.64 crore and an increase in non-current tax assets by ₹ 126.37 crore.

b) Interest provision related to above ₹ 35.87 crore.

Pending final legal closure of the matter, the said amounts have been reported under contingent liabilities in the financial statements.

Note 59

Exceptional items, includes :

a) ₹ 81.41 crore, on account of charge towards separation scheme for employees.

b) Dirk India Private Limited (DIPL) is a wholly owned subsidiary of the Company. The Company has extended interest bearing loans to DIPL. DIPL's economic performance is subdued because of effects of ongoing legal dispute with its supplier of key raw material. The company is making all attempts through legal and formal recourses to resolve the disputes however given circumstances and analysis of events occurred, there is likelihood that economic performance of DIPL shall remain adverse. Considering this situation, the Company has performed a test of impairment and determined the value in use based on estimated cash flow projections. As a result, management has recognised a provision towards loans and interest thereon amounting to ₹ 37.94 crore and ₹ 10.60 crore respectively, due to the Company as on 31st December, 2018.

Notes to Financial Statements

Note 60 - Capitalisation of expenditure

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
a) Capital work-in-progress includes		
Opening balance	**17.76**	5.47
Add : Expenditure during construction for projects		
Employee benefits expenses	**11.72**	5.93
Depreciation and amortisation expense	**0.27**	0.15
Other expenses	**21.20**	6.21
	50.95	17.76
Less : Capitalised during the year	**(22.79)**	-
Balance included in capital work-in-progress	**28.16**	17.76

Note 61

Figures below ₹ 50,000 have not been disclosed.

Note 62

Previous years' figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

See accompanying notes to the financial statements

For and on behalf of the Board

Suresh Joshi
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
Director
DIN - 00077715

Rajiv Gandhi
Company Secretary

Shailesh Haribhakti
Director
DIN - 00007347

Haigreve Khaitan
Director
DIN - 00005290

Omkar Goswami
Director
DIN - 00004258

Christof Hassig
Director
DIN - 01680305

Roland Kohler
Director
DIN - 08069722

Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Mumbai, 18th February, 2019

Independent Auditor's Report

To The Members of Ambuja Cements Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **AMBUJA CEMENTS LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit in its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st December, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements") and which includes five Joint Operations of the Group accounted on a proportionate basis.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the joint operations, subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st December, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date

Emphasis of Matter

We draw attention to Notes 39A(iii)(a) & 39A(iii)(b) to the consolidated Ind AS financial statements which describes the following matters:

(a) In terms of the order dated 31st August, 2016, the Competition Commission of India (CCI) had imposed a penalty of Rs. 2,311.50 crores for alleged contravention of the provisions of the Competition Act, 2002 by the Parent and ACC Limited (a subsidiary of the Parent). On appeal by the Parent and ACC Limited, National Company Law Appellate Tribunal (NCLAT), which replaced the Competition Appellate Tribunal (COMPAT) effective 26th May, 2017, in its order dated 25th July, 2018 had upheld the CCI's Order. The appeals by the Parent and ACC Limited against the said judgement of NCLAT before the Hon'ble Supreme Court were admitted vide its order dated 5th October, 2018 with a direction that the interim order passed by the Tribunal would continue.

(b) In a separate matter, pursuant to the reference filed by the Director, Supplies and Disposals, State of Haryana, the CCI vide its order dated 19th January, 2017 had imposed penalty of Rs. 65.16 crores for alleged contravention of the provisions of the Competition Act, 2002 by the Parent and ACC Limited. On appeal by the Parent and ACC Limited together with application for interim stay against payment of penalty, COMPAT has stayed the penalty pending hearing of the application. The matter is listed before the NCLAT for hearing.

Based on the assessment of the Parent and ACC Limited on the outcome of these appeals, supported by the advice of external legal counsel, both the companies are of the view that no provision is necessary in respect of these matters.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of eight subsidiaries (which includes four joint operations of a subsidiary) and a joint operation of the Parent, whose financial statements reflect total assets of Rs. 117.53 crores as at 31st December, 2018, total revenues of Rs. 39.20 crores and net cash inflows amounting to Rs. 63.78 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 12.52 crores for the year ended 31st December, 2018, as considered in the consolidated Ind AS financial statements, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of joint operations, subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st December, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st December, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India to its directors is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures - Refer Note 39 and 40 to the Consolidated Ind AS Financial Statements.

(ii) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India, on the basis of the information available with the Group, other than Rs. 1.16 crores in case of a subsidiary company paid during the year, as reported in the previous year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai, 18th February, 2019

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated Ind AS financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2018)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st December, 2018, we have audited the internal financial controls over financial reporting of Ambuja Cements Limited (hereinafter referred to as "the Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company's joint operations which are companies incorporated in India, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, joint operations, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to five joint operations, seven subsidiary companies, two associate companies and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

B. P. Shroff
Partner
(Membership No. 34382)

Mumbai, 18th February, 2019

Consolidated Balance Sheet as at 31st December, 2018

Particulars	Notes	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
ASSETS			
1 Non-current assets			
a) Property, plant and equipment	4	**12,616.48**	12,948.13
b) Capital work-in-progress		**1,008.17**	617.76
c) Goodwill	5	**7,881.49**	7,881.49
d) Other intangible assets	6	**137.97**	68.60
e) Intangible assets under development		**-**	49.44
f) Investments in associates and joint ventures	7	**129.53**	119.77
g) Financial assets			
i) Investments	8	**3.70**	33.30
ii) Loans	9	**231.32**	278.59
iii) Other financial assets	10	**55.23**	45.98
h) Non-current tax assets (net)	62	**887.51**	377.10
i) Deferred tax assets (net)		**3.86**	3.70
j) Other non-current assets	11	**1,963.98**	1,994.50
Total - Non-current assets		**24,919.24**	24,418.36
2 Current assets			
a) Inventories	12	**2,957.89**	2,458.27
b) Financial assets			
i) Trade receivables	13	**1,304.54**	931.53
ii) Cash and cash equivalents	14	**6,093.11**	5,873.51
iii) Bank balances other than cash and cash equivalents	15	**346.17**	358.07
iv) Loans	16	**80.61**	45.27
v) Other financial assets	17	**103.49**	68.97
c) Current tax assets (net)		**-**	0.25
d) Other current assets	18	**1,524.13**	1,345.55
		12,409.94	11,081.42
e) Assets classified as held for sale	50	**11.55**	13.14
Total - Current assets		**12,421.49**	11,094.56
TOTAL - ASSETS		**37,340.73**	35,512.92
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	19	**397.13**	397.13
b) Other equity	20	**21,973.35**	20,275.07
Total - Equity attributable to owners of the company		**22,370.48**	20,672.20
c) Non controlling interest		**5,231.19**	4,607.96
Total Equity		**27,601.67**	25,280.16
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	21	**39.68**	24.12
ii) Other financial liabilities	22	**1.18**	1.75
b) Provisions	23	**181.49**	180.26
c) Deferred tax liabilities (net)	24	**1,115.28**	1,142.12
d) Other non-current liabilities	25	**7.17**	7.19
Total - Non-current liabilities		**1,344.80**	1,355.44
2 Current liabilities			
a) Financial liabilities			
i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	59	**8.54**	5.63
Total outstanding dues of creditors other than micro enterprises and small enterprises		**2,997.66**	2,810.38
ii) Other financial liabilities	26	**1,391.81**	1,253.48
b) Other current liabilities	27	**3,089.86**	3,204.60
c) Provisions	28	**119.24**	139.03
d) Current tax liabilities (Net)	62	**787.15**	1,464.20
Total - Current liabilities		**8,394.26**	8,877.32
Total Liabilities		**9,739.06**	10,232.76
TOTAL - EQUITY AND LIABILITIES		**37,340.73**	35,512.92

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 18th February, 2019

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
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Shailesh Haribhakti
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Roland Kohler
Director
DIN - 08069722

Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Consolidated Statement of profit and loss for the year ended 31st December, 2018

Particulars	Notes	2018 ₹ in crore	2017 ₹ in crore
1 Income			
a) Revenue from operations	29	**26,040.94**	25,292.55
b) Other income	30	**371.44**	322.61
Total Income		**26,412.38**	25,615.16
2 Expenses			
a) Cost of materials consumed	31	**3,346.50**	2,852.89
b) Purchase of stock-in-trade		**89.22**	0.84
c) Changes in inventories of finished goods, work-in progress and stock-in-trade	32	**(201.72)**	(77.72)
d) Excise duty	64	**-**	1,683.86
e) Employee benefits expense	33	**1,524.37**	1,511.24
f) Finance costs	34	**170.50**	205.78
g) Depreciation and amortisation expense	35	**1,153.94**	1,219.45
h) Power and fuel		**5,552.47**	4,951.72
i) Freight and forwarding expense	36	**7,272.41**	6,307.53
j) Other expenses	37	**4,450.60**	4,211.75
		23,358.29	22,867.34
k) Self consumption of cement (net of excise duty)		**(3.70)**	(7.14)
Total Expenses		**23,354.59**	22,860.20
3 Profit before share of profit of joint ventures and associates, exceptional items and tax expense (1-2)		**3,057.79**	2,754.96
4 Share of profit of joint ventures and associates		**12.53**	12.77
5 Profit before exceptional items and tax expense (3+4)		**3,070.32**	2,767.73
6 Exceptional items	60	**151.78**	-
7 Profit before tax (5-6)		**2,918.54**	2,767.73
8 Tax expense			
a) For the current year			
i) Current tax - charge		**936.69**	766.24
ii) Deferred tax - charge / (credit)		**(118.20)**	80.73
b) Relating to earlier years			
i) Current tax - (credit)	62	**(872.64)**	(1.33)
ii) Deferred tax - (credit)		**-**	(22.79)
		(54.15)	822.85
9 Profit for the year (7-8)		**2,972.69**	1,944.88
10 Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
a) Remeasurement gain / (losses) on defined benefit plans		**(4.48)**	8.90
b) Share of Remeasurement gain / (losses) on defined benefit plans of joint ventures and associates		**0.01**	(0.13)
Tax adjustment on above		**1.86**	(3.38)
Total other comprehensive income		**(2.61)**	5.39
11 Total comprehensive income for the year (9+10)		**2,970.08**	1,950.27
12 Profit for the year attributable to			
Owners of the Company		**2,177.40**	1,516.36
Non-controlling interest		**795.29**	428.52
13 Other comprehensive income attributable to			
Owners of the Company		**(0.17)**	4.32
Non-controlling interest		**(2.44)**	1.07
14 Total comprehensive income attributable to			
Owners of the Company		**2,177.23**	1,520.68
Non-controlling interest		**792.85**	429.59
15 Earnings per share of 2 each - in ₹	38		
Basic		**10.97**	7.64
Diluted		**10.96**	7.64

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 18th February, 2019

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Consolidated statement of changes in equity for the year ended 31st December, 2018

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
A Equity share capital		
Opening balance	**397.13**	397.13
Changes during the year	**-**	-
Closing balance	**397.13**	397.13

B Other Equity

₹ in crore

Particulars	Reserves and surplus								
	General reserve (refer note a)	Capital redemption reserve (refer note b)	Capital reserve (refer note c)	Subsidies (refer note d)	Securities premium (refer note e)	Retained earnings	Total other equity attributable to owners of the Company	Non controlling interest	Total
Balance as at 1st January, 2017	5,814.49	9.93	130.71	5.02	12,471.16	992.48	19,423.79	4,370.24	23,794.03
Profit for the year	-	-	-	-	-	1,516.36	1,516.36	428.52	1,944.88
Other comprehensive income (net of tax expenses)	-	-	-	-	-	4.32	4.32	1.07	5.39
Equity dividend including dividend distribution tax (Refer note 49)	-	-	-	-	-	(636.64)	(636.64)	(159.46)	(796.10)
Dividend distribution tax on equity dividend paid by subsidiary and joint ventures	-	-	-	-	-	(32.76)	(32.76)	(32.41)	(65.17)
Balance as at 31st December, 2017	5,814.49	9.93	130.71	5.02	12,471.16	1,843.76	20,275.07	4,607.96	24,883.03
Balance as at 1st January, 2018	**5,814.49**	**9.93**	**130.71**	**5.02**	**12,471.16**	**1,843.76**	**20,275.07**	**4,607.96**	**24,883.03**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**2,177.40**	**2,177.40**	**795.29**	**2,972.69**
Other comprehensive income (net of tax expenses)	**-**	**-**	**-**	**-**	**-**	**(0.17)**	**(0.17)**	**(2.44)**	**(2.61)**
Equity dividend including dividend distribution tax (Refer note 49)	**-**	**-**	**-**	**-**	**-**	**(449.78)**	**(449.78)**	**(140.70)**	**(590.48)**
Dividend distribution tax on equity dividend paid by subsidiary and joint ventures	**-**	**-**	**-**	**-**	**-**	**(29.17)**	**(29.17)**	**(28.92)**	**(58.09)**
Balance as at 31st December, 2018	**5,814.49**	**9.93**	**130.71**	**5.02**	**12,471.16**	**3,542.04**	**21,973.35**	**5,231.19**	**27,204.54**

Consolidated statement of changes in equity for the year ended 31st December, 2018

Description of reserves in Consolidated statement of changes in equity

a) General reserve

The Group created a general reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Group.

b) Capital redemption reserve

Capital redemption reserve was created by transferring from retained earnings. In the year ended 30th June 2005, part of the amount was used for issue of bonus shares. The balance will be utilised in accordance with the provisions of the Companies Act, 2013.

c) Capital reserve

This reserve has been transferred to the Group in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

d) Subsidy

These are capital subsidies received from the Government and other authorities.

e) Securities premium

This reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 18th February, 2019

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

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DIN - 00276351

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Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Consolidated cash flow statement for the year ended 31st December, 2018

Particulars	2018 ₹ in crore	2017 ₹ in crore
Cash flows from operating activities		
Profit before tax	**2,918.54**	2,767.73
Adjustments for		
Depreciation and amortisation expense	**1,153.94**	1,219.45
Loss on property, plant and equipment sold, discarded and written off (net)	**23.78**	12.51
Dividend income from joint venture Company	**-**	(1.12)
Net gain on non-current investment measured at FVTPL	**-**	(10.32)
Gain on sale of current financial assets measured at FVTPL	**(80.09)**	(81.91)
Net gain on fair valuation of liquid mutual fund measured at FVTPL	**(1.42)**	(23.92)
Finance costs	**170.50**	205.78
Interest income	**(254.03)**	(200.28)
Provision / (reversal) for slow and non moving spares	**4.37**	(16.55)
Impairment losses on financial assets (net)	**5.39**	-
Discounting income on pre-payment of value added tax loan	**-**	(4.98)
Discounting income on interest free loan	**(8.81)**	(4.01)
Unrealised exchange (gain) / loss (net)	**(0.50)**	(0.77)
Fair value movement in derivative instruments	**1.28**	-
Interest on income tax written back (Refer note 62)	**(35.87)**	-
Provisions no longer required written back	**(32.27)**	(48.04)
Inventories written off	**2.41**	3.04
Bad debts, sundry debit balances and claims written off / written back (net)	**2.21**	(1.92)
Unrealised share of profit in associates and joint ventures	**(12.53)**	(12.77)
Amortisation of operating lease rental	**2.78**	3.72
	941.14	1,037.91
Operating profit before working capital changes	**3,859.68**	3,805.64
Adjustments for		
Trade receivables, loans and other assets	**(569.56)**	(958.97)
Inventories	**(506.42)**	(281.24)
Trade payables, other liabilities and provisions	**98.44**	1,382.39
	(977.54)	142.18
Cash generated from operations	**2,882.14**	3,947.82
Direct taxes paid (net of refunds) (Refer note 1 in cash flow and note 62)	**(1,155.53)**	(531.59)
Net cash flow from operating activities (A)	**1,726.61**	3,416.23
Cash flows from investing activities		
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)	**(1,107.99)**	(1,088.02)
Proceeds from sale of property, plant and equipment	**16.17**	3.31
Inter corporate deposits and loans given to joint ventures	**(0.11)**	(0.12)
Inter corporate deposits and loans repaid by joint ventures	**-**	4.18
Proceeds from sale / maturity of non-current investments (net)	**-**	38.67
Proceeds from buyback of shares of joint venture	**1.50**	-
Gain on sale of current financial assets measured at FVTPL	**80.09**	82.82
Investments in bank deposits (having original maturity of more than three months and upto twelve months)	**(235.93)**	(4.96)
Redemption of bank deposits (having original maturity of more than three months and upto twelve months)	**249.65**	0.15
Investments in bank deposits (having original maturity of more than twelve months)	**(5.19)**	-
Dividend received from joint venture Company	**-**	2.25
Dividend received from associates	**1.09**	4.75
Interest received (including Interest on Income tax)	**234.50**	194.95
Net cash used in investing activities (B)	**(766.22)**	(762.02)

Consolidated cash flow statement for the year ended 31st December, 2018

Particulars	2018 ₹ in crore	2017 ₹ in crore
Cash flows from financing activities		
Proceeds from non-current borrowings	**21.55**	10.50
Repayment of non-current borrowings	**-**	(13.23)
Discounting income on pre-payment of value added tax loan	**-**	4.98
Interest paid	**(115.38)**	(155.83)
Net movement in earmarked balances with banks	**1.16**	(0.93)
Dividend paid on equity shares	**(538.99)**	(714.51)
Dividend distribution tax paid	**(110.55)**	(145.65)
Net cash used in financing activities (C)	**(742.21)**	(1,014.67)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**218.18**	1,639.54
Cash and cash equivalents		
Cash and cash equivalents at the end of the year (Refer note 14)	**6,093.11**	5,873.51
Adjustment for fair value gain on liquid mutual funds measured through profit and loss	**(1.42)**	(23.92)
	6,091.69	5,849.59
Cash and cash equivalents at the beginning of the year (Refer note 14)	**5,873.51**	4,210.05
Net increase / (decrease) in cash and cash equivalents	**218.18**	1,639.54

Notes :

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. In the previous year, the group has converted 13% compulsorily convertible preference shares, its investment in Counto Microfine Products Private Limited for consideration other than cash.
3. Changes in liabilities arising from financing activities:

Particulars	As at 31st December, 2017	Cash flow changes	Non-cash changes (Fair value adjustments)	As at 31st December, 2018
Non-current borrowings	24.12	**21.55**	**(5.99)**	**39.68**

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 18th February, 2019

For and on behalf of the Board

Suresh Joshi
Chief Financial Officer

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Company Secretary

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Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Notes to Consolidated Financial Statements

1. Corporate Information

Ambuja Cements Limited (the Company, parent) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India and its GDRs are listed under the EURO MTF Platform of Luxembourg Stock Exchange. The registered office of the Company is located at Ambujanagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

The Company's principal activity is to manufacture and market cement and cement related products.

2. Basis of preparation and consolidation

A. Basis of preparation

These consolidated financial statements of the Company, entities controlled by the Company and its subsidiaries (together the group) have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (“the Act") Read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

I. Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

II. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

III. Employee defined benefit plans, recognised at the net total of the fair value of plan assets and the present value of the defined benefit obligation.

IV. Investments in associates and joint ventures which are accounted for using the equity method.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies are applied consistently to all the periods presented in the financial statements. Consolidated financial statements are presented in ₹ which is the functional currency of the group and all values are rounded to the nearest crore as per the requirement of Schedule III of the Companies Act, 2013, except otherwise indicated.

B. Basis of Consolidation

I. The consolidated financial statements comprise those of Ambuja Cements Limited, entities controlled by the Company and its subsidiaries. The list of principal companies is presented in note 43.

II. A Company is considered a subsidiary when controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

   a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),

   b. Exposure, or rights, to variable returns from its involvement with the investee, and

   c. The ability to use its power over the investee to affect its returns.

   The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

III. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

   a. The contractual arrangement with the other vote holders of the investee,

   b. Rights arising from other contractual arrangements,

   c. The Group’s voting rights and potential voting rights,

   d. The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders,

e. Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time when decisions need to be made, including voting patterns at previous shareholders' meetings.

IV. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

V. In cases where the financial year of subsidiaries is different from that of the Company, the consolidated financial statements of the subsidiaries have been drawn up so as to be aligned with the financial year of the Company.

VI. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

VII. Consolidation procedure

a. The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the Ind AS 110 - Consolidated Financial Statements, on a line-by-line basis by adding together the book value of like items of assets, liabilities, income, expenses and cash flow.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how any related goodwill is accounted.

c. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

VIII. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

IX. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

X. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a. Derecognises the assets (including goodwill) and liabilities of the subsidiary,

b. Derecognises the carrying amount of any non-controlling interest,

c. Derecognises the cumulative translation differences recorded in equity,

d. Recognises the fair value of the consideration received,

e. Recognises the fair value of any investment retained, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture,

f. Recognises any surplus or deficit in the statement of profit and loss,

g. Reclassifies the parent's share of components previously recognised in other comprehensive income (OCI) to the statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to Consolidated Financial Statements

3. Significant accounting policies

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, except freehold non-mining land which is carried at cost less impairment losses. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st January, 2016 measured as per the previous GAAP. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

II. Spares which meet the definition of Property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the statement of profit and loss.

III. Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each Balance sheet date are disclosed as Capital Advances under "Other non-current assets".

IV. An item of property, plant and equipment and any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in “other income / (expenses)” when the asset is derecognised.

B. Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation is calculated using “Written down value method” for assets related to Captive Power Plant and using “Straight line method” for other assets. Estimated useful lives of the assets are as follows:

Assets	Useful Life
Land (freehold)	No depreciation except on land with mineral reserves. Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
Leasehold land	Amortised over the period of lease
Buildings, roads and water works	3 – 60 years
Plant and equipment	8-30 years
Plant and equipment related to Captive Power Plant	40 years
Railway sidings and locomotives	8-15 years
Furniture, office equipment and tools	3-10 years
Vehicles	6- 10 years
Ships	25 years

The useful life as estimated above is also in line with the prescribed useful life estimates as specified under Schedule II of the Act.

II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

III. The group identifies and determines cost of each component / part of the asset separately, if the component / part have a cost, which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

IV. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation or construction, when the asset is ready for intended use.

V. Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

VI. Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

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

VIII. Property, plant and equipment, constructed by the Group, but ownership of which vests with the Government / Local authorities:

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

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

C. Intangible assets

I. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at transition date (1st January, 2016) measured as per the previous GAAP. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

II. The useful lives of intangible assets are assessed as either finite or indefinite.

III. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed during each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

IV. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Other than goodwill there are no other intangible assets with indefinite useful lives.

V. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

D. Amortisation of intangible assets.

A summary of the policies applied to the Group's intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Water drawing rights	Finite (10-30 years)	Amortised on a straight-line basis over the useful life
Computer software	Finite (Up to 5 years)	Amortised on a straight-line basis over the useful life
Mining Rights	Finite (0-90 years)	Over the period of the respective mining agreement

E. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less cost of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Group estimates the recoverable amount for the smallest cash generating unit to which the non-financial asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

F. Inventories

Inventories are valued after providing for obsolescence, as follows:

I. Raw materials, stores and spare parts, fuel and packing material:

Lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

II. Work-in-progress, finished goods and stock in trade:

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

G. Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred, liabilities incurred to the former owner of the acquiree and the equity interests issued in exchange of control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis indicated below:

I. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

II. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

III. Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and fair value of any previously held interest in acquiree, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination of entities under common control

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

H. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (also see note "G" in accounting policy) less accumulated impairment losses, if any.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

I. Investment in associates and joint ventures

I. Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost less impairment, if any.

II. Joint ventures

Interests in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other comprehensive income of the investee in the statement of profit and loss. An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group’s share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the impairment of non-financial assets policy described above.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value and that fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in the other comprehensive income are reclassified to profit and loss where appropriate.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

J. Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. If the interest is classified as a joint operation, the Company recognises its share of the assets, liabilities, revenues and expenses in the joint operation in accordance with the relevant Ind AS.

When a group entity transacts with a joint operation in which a group entity is a Joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

K. Fair value measurement

The Group measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

L. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

I. Financial assets

a. The Group's financial assets comprise :

i. Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees and non-current deposits.

b. Initial recognition and measurement of financial assets

The Group recognises a financial asset in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date that the

Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- This category is the most relevant to the Group. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables, non-current financial assets such as financial investments–bond and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Debt instrument at FVTOCI

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments, liquid mutual funds, derivatives and equity instruments at fair value through the statement of profit and loss (FVTPL)

<u>Debt instrument at FVTPL</u>

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

Debt instruments that meet the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss.

This category comprises investments in liquid mutual funds and derivatives.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the statement of profit and loss.

Group has designated its investments in equity instruments as FVTPL category.

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

The Group has not designated investment in any equity instruments as FVTOCI.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

e. Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 18, if they do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

II. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b. Financial liabilities

i. The Group’s financial liabilities comprise:

- Non-current financial liabilities mainly consist of borrowings and liability for capital expenditure.
- Current financial liabilities mainly consist of trade payables, liability for capital expenditure, security deposit from dealer, transporter and contractor, staff related and other payables.

Initial recognition and measurement

The Group recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

Subsequent measurement of financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Subsequent measurement of financial liabilities at fair value through profit or loss

The Group uses foreign exchange forward contracts as derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group enters into derivative financial instruments such as foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

ii. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 “financial instruments” to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

M. Provisions and contingencies

I. Provisions

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amount recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamation expenses

The Group provides for the expenses to reinstate the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

II. Contingent liability

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

III. Contingent asset

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

N. **Foreign exchange gains and losses**

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

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.

O. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

I. Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which for domestic sales are accounted on dispatch of products to customers and export sales are accounted on the basis of date of Bill of Lading.

Revenue for current year is shown exclusive of goods and service tax, discounts and sales returns. Revenue disclosed for previous year is inclusive of excise duty and net of sales tax / value added tax / goods and services tax, discounts and sales returns, as applicable. Revenue excludes self-consumption of cement and clinker.

II. Rendering of services

Revenue from services is recognised (net of goods and services tax / service tax, as applicable) by reference to the stage of completion of the contract.

III. **Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. **Dividends**

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

P. Retirement and other employee benefits

I. **Defined contribution plan**

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

II. **Defined benefit plan**

The Group's gratuity fund scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date.

Employee benefit, in the form of contribution to provident fund managed by a trust set up by the Group, is charged to statement of profit and loss for the year in which the employee renders the related service. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the statement of profit and loss based on actuarial valuation.

Past service costs are recognised in the statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Group recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

III. **Short term employee benefits**

a. Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

IV. **Other long-term employee benefits**

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Long service awards and accumulated compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

V. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

a. when the Group can no longer withdraw the offer of those benefits; and

b. When the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

VI. Presentation and disclosure

For the purpose of presentation of defined benefit plans, the allocation between the short term and long term provisions has been made as determined by an actuary. Obligations under other long-term benefits are classified as short-term provision, if the Group does not have an unconditional right to defer the settlement of the obligation beyond 12 months from the reporting date. The Group presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

Q. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

I. The appropriate level of management is committed to a plan to sell the asset,

II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the statement of profit and loss.

R. Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

S. Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

I. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

III. **Minimum alternate tax (MAT)**

Deferred tax assets include MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

T. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

I. **Group as a lessee**

a. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b. Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability (if any) to the lessor is included in the balance sheet as a finance lease obligation.

II. **Group as a lessor**

a. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Group in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

U. Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The board of directors of the Company has appointed executive committee (ExCo) as CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

V. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that generally are held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

W. Government grants and subsidies

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

II. Where the government grants / subsidies relate to revenue, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.

III. Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

IV. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

V. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

X. Earnings per share

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

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

Y. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 Presentation of financial statements. Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities

Z. Significant estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

I. Recognition of deferred tax assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized.

II. Classification of legal matters and tax litigations

The litigations and claims to which the Group is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

III. Defined benefit obligations

The cost of defined benefit gratuity plans, post-retirement medical benefit and death and disability benefit, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

IV. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

V. Mines restoration obligation

In measuring the mines restoration obligation, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs.

VI. Useful life of property plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Group's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

VII. Revenue recognition

Group provides various discounts, allowances and rebates to the customers. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

VII. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Notes to Consolidated Financial Statements

Note 4 - Property, plant and equipment

(Refer note 3(A) and 3(B) for accounting policy on property, plant and equipment)

₹ in crore

Particulars	As at 31.12.2018								
	Gross block				Accumulated depreciation				Net block as at 31st December, 2018 (g)
	As at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 1st January, 2018	Charge for the year (e)	Deductions/ Transfers	As at 31st December, 2018	
Freehold non-mining land	505.95	6.15	0.02	512.08	0.02	0.02	-	0.04	512.04
Freehold mining land	890.93	191.04	-	1,081.97	17.71	13.88	0.01	31.58	1,050.39
Leasehold land	90.75	6.87	-	97.62	2.14	1.15	0.01	3.28	94.34
Buildings, roads and water works (a)	3,082.26	75.85	4.30	3,153.81	312.87	157.98	1.59	469.26	2,684.55
Plant and equipment (owned) (b)	10,056.72	513.97	54.93	10,515.76	1,912.95	884.83	24.00	2,773.78	7,741.98
Furniture and fixtures	47.39	4.51	0.99	50.91	16.47	7.10	0.37	23.20	27.71
Vehicles	143.17	31.71	7.20	167.68	37.47	22.88	4.10	56.25	111.43
Office equipment	110.23	14.98	2.36	122.85	55.01	24.31	2.23	77.09	45.76
Marine structures (c)	24.39	-	0.02	24.37	7.65	3.60	-	11.25	13.12
Railway sidings and locomotives (d)	293.51	8.53	-	302.04	46.26	24.51	-	70.77	231.27
Ships	126.64	0.20	0.04	126.80	15.26	7.66	0.01	22.91	103.89
Total	15,371.94	853.81	69.86	16,155.89	2,423.81	1,147.92	32.32	3,539.41	12,616.48

Particulars	As at 31.12.2017								
	Gross block				Accumulated depreciation				Net block as at 31st December, 2017 (g)
	As at 1st January, 2017	Additions	Deductions/ Transfers	As at 31st December, 2017	As at 1st January, 2017	Charge for the year (e)	Deductions/ Transfers	As at 31st December, 2017	
Freehold non-mining land	485.95	20.94	0.94	505.95	-	0.02	-	0.02	505.93
Freehold mining land	782.21	109.68	0.96	890.93	8.28	9.43	-	17.71	873.22
Leasehold land	87.33	3.42	-	90.75	0.83	1.31	-	2.14	88.61
Buildings, roads and water works (a)	3,031.41	52.04	1.19	3,082.26	154.05	159.12	0.30	312.87	2,769.39
Plant and equipment (owned) (b)	9,669.08	419.25	31.61	10,056.72	966.77	953.26	7.08	1,912.95	8,143.77
Furniture and fixtures	43.87	3.99	0.47	47.39	8.56	8.06	0.15	16.47	30.92
Vehicles	113.35	31.42	1.60	143.17	18.04	20.09	0.66	37.47	105.70
Office equipment	94.81	16.72	1.30	110.23	29.15	27.02	1.16	55.01	55.22
Marine structures (c)	24.39	-	-	24.39	3.82	3.83	-	7.65	16.74
Railway sidings and locomotives (d)	242.27	51.31	0.07	293.51	21.31	24.96	0.01	46.26	247.25
Ships	126.42	0.22	-	126.64	7.62	7.64	-	15.26	111.38
Total	14,701.09	708.99	38.14	15,371.94	1,218.43	1,214.74	9.36	2,423.81	12,948.13

Notes to Consolidated Financial Statements

Note 5 - Goodwill

(Refer note 3(H) for accounting policy on goodwill)

₹ in crore

Particulars	As at 31.12.2018								
	Gross block				Accumulated amortisation				Net block as at 31st December, 2018
	As at 1st January, 2018	Additions	Deductions/ Transfers	As at 31st December, 2018	As at 1st January, 2018	Charge for the year	Deductions/ Transfers	As at 31st December, 2018	
Goodwill (f)	8,117.12	-	-	8,117.12	235.63	-	-	235.63	7,881.49
Total	8,117.12	-	-	8,117.12	235.63	-	-	235.63	7,881.49

Note 6 - Other intangible assets

(Refer note 3(C) and 3(D) for accounting policy on intangible assets)

Mining rights (h)	74.41	75.29	-	149.70	7.98	5.29	-	13.27	136.43
Water drawing rights	0.33	-	-	0.33	0.04	0.05	-	0.09	0.24
Computer software	3.12	0.36	-	3.48	1.24	0.94	-	2.18	1.30
Total	77.86	75.65	-	153.51	9.26	6.28	-	15.54	137.97

Note 5 - Goodwill

Particulars	As at 31.12.2017								
	Gross block				Accumulated amortisation				Net block as at 31st, December, 2017
	As at 1st January, 2017	Additions	Deductions/ Transfers	As at 31st December, 2017	As at 1st January, 2017	Charge for the year	Deductions/ Transfers	As at 31st December, 2017	
Goodwill (f)	8,117.12	-	-	8,117.12	235.63	-	-	235.63	7,881.49
Total	8,117.12	-	-	8,117.12	235.63	-	-	235.63	7,881.49

Note 6 - Other intangible assets

Mining rights	46.16	28.25	-	74.41	3.97	4.01	-	7.98	66.43
Water drawing rights	0.33	-	-	0.33	0.02	0.02	-	0.04	0.29
Computer software	4.09	0.59	1.56	3.12	0.41	0.83	-	1.24	1.88
Total	50.58	28.84	1.56	77.86	4.40	4.86	-	9.26	68.60

Includes :

a) i) Premises in co-operative societies, on ownership basis of ₹ 84.74 crore (31st December, 2017 - ₹ 85.12 crore) and ₹ 4.85 crore (31st December, 2017 - ₹ 3.25 crore) being accumulated depreciation thereon.

ii) ₹ 19.92 crore (31st December, 2017 - ₹ 19.92 crore) being cost of roads constructed by the Group, the ownership of which vests with the government / local authorities and ₹ 12.98 crore (31st December, 2017 - ₹ 9.22 crore) being accumulated depreciation thereon.

b) Includes ₹ 69.81 crore (31st December, 2017 - ₹ 69.96 crore) being cost of power lines incurred by the Group, the ownership of which vests with the state electricity boards and ₹ 6.65 crore (31st December, 2017 - ₹ 4.43 crore) being accumulated depreciation thereon.

c) Cost incurred by the Group, the ownership of which vests with the state maritime boards.

d) Includes ₹ 11.75 crore (31st December, 2017 - ₹ 11.75 crore) being cost of railway sidings incurred by the Group, the ownership of which vests with the railway authorities and ₹ 4.02 crore (31st December, 2017 - ₹ 3.08 crore) being accumulated depreciation thereon.

e) Includes ₹ 0.27 crore (31st December, 2017 - ₹ 0.15 crore) capitalised as pre-operative expenses.

f) Pertains to goodwill on consolidation ₹ 7881.49 crore (31st December, 2017 - ₹ 7881.49 crore).

g) As per the website of the Ministry of Corporate affairs, certain charges aggregating ₹ 38.28 crore (31st December, 2017 - ₹ 53.68 crore) on properties of the Group are pending for satisfaction due to some procedural issues, although related loan amounts have already been paid in full.

h) During the year, the Group has commenced commercial production by way of open cast mining at its coal block situated at Raigarh district in the state of Chattisgarh, acquired under e-auction.

Notes to Consolidated Financial Statements

Particulars	Face value (in ₹)	As at 31.12.2018 No of shares / bonds	As at 31.12.2018 ₹ in crore	As at 31.12.2017 No of shares / bonds	As at 31.12.2017 ₹ in crore
Note 7 - Investments accounted for using equity method					
(Refer note 3(I) for accounting policy on investments in associates and joint ventures)					
A. Investments in associates					
Unquoted					
In fully paid equity shares					
Alcon Cement Company Private Limited	10	408,001	18.11	408,001	18.20
Asian Concretes and Cements Private Limited	10	8,100,000	72.33	8,100,000	65.41
Total (A)			90.44		83.61
B. Investments in joint ventures					
Unquoted					
In fully paid equity shares					
Aakaash Manufacturing Company Private Limited	10	4,401	13.54	4,401	12.71
Counto Microfine Products Private Limited (During the current year 6,90,280 equity shares have been bought back)	10	8,319,722	25.55	9,010,002	23.45
Total (B)			39.09		36.16
Total (A + B)			129.53		119.77
Note 8 - Non-current investments					
A. Investments carried at amortised cost					
Unquoted					
Government and trust securities					
*National Savings Certificate ₹ 36,500 (31st December, 2017 - ₹ 36,500), deposited with government department as security.			-		-
Public sector bonds					
5.13% taxable redeemable bonds Himachal Pradesh Infrastructure Development Bonds	1,000,000	37	3.70	333	33.30
Total (A)			3.70		33.30
B. Investments carried at fair value through profit and loss					
Quoted					
In fully paid equity shares					
Shiva Cement Limited	2	-	-	23,650,000	28.35
Less: Sold during the previous year			-	23,650,000	28.35
			-		-
Unquoted					
In fully paid equity shares					
* Kanoria Sugar & General Mfg. Company Limited	10	4	-	4	-
* Gujarat Composites Limited	10	60	-	60	-
* Rohtas Industries Limited	10	220	-	220	-
* The Jaipur Udyog Limited	10	120	-	120	-
* Digvijay Finlease Limited	10	90	-	90	-
* The Travancore Cement Company Limited	10	100	-	100	-
* Ashoka Cement Limited	10	50	-	50	-
* The Sone Valley Portland Cement Company Limited	5	100	-	100	-
Gujarat Goldcoin Ceramics Limited	10	1,000,000	-	1,000,000	-
Total (B)			-		-
Total (A + B)			3.70		33.30
Total (7+8)			133.23		153.07
Aggregate value of unquoted investments			133.23		153.07

* Each of such investments is carried at value less than ₹ 50,000

Notes to Consolidated Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 9 - Non-current loans		
(Refer note 3 (L) (I) for accounting policy on financial assets)		
Unsecured, considered good		
Security deposit	**214.77**	259.64
Loans and advances	**4.02**	3.91
Others (includes loans to employees)	**12.53**	15.04
	231.32	278.59
Unsecured loans which have significant increase in credit risk		
Loans and advances	**23.48**	25.80
Less : allowances for doubtful loans / deposits	**23.48**	25.80
	-	-
Total	**231.32**	278.59

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

No loans are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 10 - Other non-current financial assets		
(Refer note 3 (L) (I) for accounting policy on financial assets)		
Bank deposits with more than 12 months maturity*	**43.74**	42.66
Margin money deposit with more than 12 months maturity#	**4.15**	-
Others (includes interest accrued on fixed deposit)	**7.34**	3.32
Total	**55.23**	45.98

*These include fixed deposits of ₹ 34.15 crore (31st December, 2017 - ₹ 34.15 crore) given as security against bank guarantees and other deposits given as security to regulatory authorities.

#Margin money deposit is against bank guarantees given to Government authorities.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 11 - Other non current assets		
Unsecured, considered good		
Capital advances	**570.41**	679.69
Advances other than capital advances		
Deposit against government dues / liabilities	**438.12**	435.92
Prepayments under leases	**35.55**	39.65
Advances recoverable other than in cash	**31.16**	26.59
Incentives receivable under government incentive schemes	**732.72**	666.15
Other claims receivable from Governments	**156.02**	146.50
	1,963.98	1,994.50
Unsecured, considered doubtful		
Capital advances	**6.64**	6.64
Advances recoverable other than in cash	**6.79**	6.79
Incentives receivable under government incentive schemes and other receivables	**36.16**	36.22
Deposit against government dues / liabilities	**3.33**	3.33
	52.92	52.98
Less : allowances for doubtful receivables	**52.92**	52.98
	-	-
Total	**1,963.98**	1,994.50

No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

Notes to Consolidated Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 12 - Inventories		
At lower of cost and net realisable value		
(Refer note 3(F) for accounting policy on inventories)		
Raw materials (including in transit - ₹ 11.56 crore; 31st December, 2017 - ₹ 11.13 crore)	**258.74**	211.18
Work-in-progress	**561.25**	534.41
Finished goods	**402.46**	239.53
Captive coal	**11.12**	-
Stock in trade (in respect of goods acquired for trading)	**1.00**	0.17
Stores & spares (including in transit - ₹ 30.89 crore; 31st December, 2017 - ₹ 20.03 crore)	**663.73**	607.92
Coal and fuel (including in transit - ₹ 119.44 crore; 31st December, 2017 - ₹ 57.15 crore)	**1,026.93**	820.82
Packing materials (including in transit - ₹ 0.15 crore; 31st December, 2017 - ₹ 0.82 crore)	**32.66**	44.24
Total	**2,957.89**	2,458.27
The Group provided for write down / (write back) of the value of inventories in the statement of profit and loss amounting to ₹ 4.37 crore (31st December, 2017 ₹ (16.55) crore).		
Note 13 - Trade receivables		
(Refer note 3(L)(I) for accounting policy on financial assets)		
Secured, considered good	**265.47**	151.29
Unsecured, considered good	**1,039.07**	780.24
Unsecured which have significant increase in credit risk	**28.83**	35.16
	1,333.37	966.69
Less : allowances for doubtful receivables	**28.83**	35.16
Total	**1,304.54**	931.53
No trade receivables are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no trade receivables are due by firms or private companies in which any director is a partner, a director or a member.		
Note 14 - Cash and cash equivalents		
(Refer note 3(V) for accounting policy on cash and cash equivalents)		
Balances with banks		
In current accounts	**465.62**	395.53
Deposit with original maturity upto 3 months	**3,474.29**	1,976.23
Cheques on hand	**163.51**	69.49
Cash on hand	**0.08**	0.05
Deposit with other than banks with original maturity of upto 3 months	**200.00**	200.00
Post office saving accounts	**0.01**	-
Investments in liquid mutual funds	**953.50**	2,467.38
Investments in certificates of deposit	**836.10**	764.83
Total	**6,093.11**	5,873.51

Notes to Consolidated Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 15 - Bank balances other than cash and cash equivalents		
Earmarked balances with banks #	**59.14**	57.32
Margin money deposit *	**13.93**	15.69
Fixed deposit with banks (original maturity more than 3 months and upto 12 months) **	**273.10**	285.06
Total	**346.17**	358.07

\# These balances represent unpaid dividend liabilities of the Group and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile Ambuja Cements Rajasthan Limited (ACRL), are available for use only towards settlement of corresponding unpaid liabilities.

* Margin money deposit is against bank guarantees given to Government authorities.

** These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 231.15 crore (31st December, 2017 - ₹ 240.37 crore), (refer note 39(A)(iii)), deposits amounting ₹ 38.72 crore (31st December, 2017 - ₹ 41.59 crore) given as security against bank guarantees and other deposits given as security to regulatory authorities and others.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 16 - Current loans		
(Refer note 3(L)(I) for accounting policy on financial assets)		
Unsecured, considered good		
Security deposits	**72.06**	35.57
Others (includes loans to employees)	**8.55**	9.70
Total	**80.61**	45.27

No loans are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 17 - Other current financial assets		
(Refer note 3(L)(I) for accounting policy on financial assets)		
Interest accrued on fixed deposit, certificate of deposits and others	**38.19**	29.61
Deposits with banks with original maturity of more than 12 months *	**5.00**	5.00
Other receivables	**60.30**	34.36
Total	**103.49**	68.97

* Fixed deposits of ₹ 5.00 crore (31st December, 2017 - ₹ 5.00 crore) given as security against bank guarantees.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 18 - Other current assets		
Unsecured, considered good		
Advances other than capital advances		
Advances	**510.66**	630.59
Balances with statutory / government authorities	**564.36**	542.35
Prepaid expenses	**38.50**	36.00
Prepayments under leases	**2.01**	5.03
Others	**46.72**	44.64
Incentives receivable under government incentive schemes	**361.88**	86.94
	1,524.13	1,345.55
Unsecured which have significant increase in credit risk		
Others	**17.72**	17.72
Less : allowance for doubtful receivables	**17.72**	17.72
	-	-
Total	**1,524.13**	1,345.55

No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

Notes to Consolidated Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 19 - Equity share capital		
(Refer note 3(L)(II)(a) for accounting policy on equity instruments)		
Authorised		
40,000,000,000 (31st December, 2017 - 40,000,000,000) Equity shares of ₹ 2 each	**8,000.00**	8,000.00
150,000,000 (31st December, 2017 - 150,000,000) Preference Shares of ₹ 10 each	**150.00**	150.00
Total	**8,150.00**	8,150.00
Issued		
1,985,971,749 (31st December, 2017 - 1,985,971,749) Equity Shares of ₹ 2 each fully paid up	**397.19**	397.19
Total	**397.19**	397.19
Subscribed and paid-up		
1,985,645,229 (31st December, 2017 - 1,985,645,229) Equity Shares of ₹ 2 each fully paid	**397.13**	397.13
Total	**397.13**	397.13

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2018		As at 31.12.2017	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13
Changes during the year	**-**	**-**	-	-
At the end of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, in proportion to their shareholding, after distribution of all preferential amounts.

c) Equity shares held by holding Company, ultimate holding Company and their subsidiaries

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Holderind Investments Limited, Mauritius - holding company		
1,253,156,361 (31st December, 2017 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up	**250.63**	250.63

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2018		As at 31.12.2017	
	No. of shares	% holding	No. of shares	% holding
i) Holderind Investments Limited, Mauritius	**1,253,156,361**	**63.11%**	1,253,156,361	63.11%
ii) Life Insurance Corporation of India	**96,679,146**	**4.87%**	130,942,329	6.59%

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

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into 186,690 (31st December, 2017 - 186,690) and 139,830 (31st December, 2017 - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

Notes to Consolidated Financial Statements

f) **Aggregate no. of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

Pursuant to the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company in August, 2016, 584,417,928 equity shares were allotted as fully paid up to the equity shareholders of HIPL, without payment being received in cash.

g) There are no securities which are convertible into equity shares.

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Note 20 - Other equity		
(Refer statement of changes in equity for detailed movement in equity balance)		
General reserve	**5,814.49**	5,814.49
Capital redemption reserve	**9.93**	9.93
Capital reserve	**130.71**	130.71
Subsidy	**5.02**	5.02
Securities premium account	**12,471.16**	12,471.16
Retained earnings	**3,542.04**	1,843.76
Total	**21,973.35**	20,275.07
Note 21 - Non-current borrowings		
(Refer note 3(L)(II)(b) for accounting policy on financial liabilities)		
Secured		
Interest free loan from State Government (Refer notes 1 and 2)	**39.68**	24.12
Total	**39.68**	24.12

Notes :

1. Interest free loans from State Government, secured by bank guarantees (partly backed by pledge of bank fixed deposits) and each loan repayable in single instalment, starting from February 2020 to November 2025 of varying amounts from ₹ 3.59 crore to ₹ 13.39 crore.
2. Interest free loan from State Government granted under State investment promotion scheme has been considered as a government grant and the difference between the fair value and nominal value as on date is recognised as an income. Accordingly, an amount of ₹ 8.81 crore (31st December, 2017 - ₹ 4.01 crore) has been recognised as an income.

Note 22 - Other non-current financial liabilities		
(Refer note 3(L)(II)(b) for accounting policy on financial liabilities)		
Liability for capital expenditure	**1.18**	1.75
Total	**1.18**	1.75
Note 23 - Non-current provisions		
(Refer note 3(M)(I) and 3(P) for accounting policy on provisions and retirement and other employee benefits)		
For employee benefits		
Provision for gratuity and other staff benefit schemes	**123.22**	123.38
Long service award and other benefit plans	**3.85**	5.41
Others		
Provision for mines reclamation expenses*	**54.42**	51.47
Total	**181.49**	180.26
* Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset":		
Opening balance	**51.47**	48.79
Add : Provision during the year	**1.58**	2.54
	53.05	51.33
Add: Unwinding of discount	**3.10**	2.68
Less : Utilisation during the year	**1.73**	2.54
	54.42	51.47

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

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 24 - Deferred tax liabilities (net)		
(Refer note 3(S)(II) for accounting policy on deferred tax)		
Deferred tax liabilities, on account of		
Depreciation and amortisation	**1,522.12**	1,528.74
Undistributed profits of subsidiaries, joint venture and associates	**66.94**	142.35
	1,589.06	1,671.09
Deferred tax assets, on account of		
Employee benefits	**112.16**	84.87
Provision for slow and non-moving spares	**20.79**	20.70
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**159.68**	177.98
MAT credit entitlement (Refer note 62)	**22.67**	118.61
Others	**158.48**	126.81
Total	**473.78**	528.97
Deferred tax liabilities (net)	**1,115.28**	1,142.12

The major components of deferred tax liabilities / assets on account of timing differences are as follows:

Particulars	As at 1st January, 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	As at 31st December, 2018
Deferred tax liabilities, on account of					
Depreciation and amortisation	**1,528.74**	**(6.62)**	**-**	**-**	**1,522.12**
Undistributed profits of subsidiaries, joint venture and associates	**142.35**	**(75.41)**	**-**	**-**	**66.94**
	1,671.09	**(82.03)**	**-**	**-**	**1,589.06**
Deferred tax assets, on account of					
Employee benefits	**84.87**	**25.43**	**1.86**	**-**	**112.16**
Provision for slow and non moving spares	**20.70**	**0.09**	**-**	**-**	**20.79**
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**177.98**	**(18.30)**	**-**	**-**	**159.68**
MAT credit entitlement *	**118.61**	**(2.88)**	**-**	**(93.06)**	**22.67**
Others	**126.81**	**31.67**	**-**	**-**	**158.48**
Total	**528.97**	**36.01**	**1.86**	**(93.06)**	**473.78**
Deferred tax liabilities (net)	**1,142.12**	**(118.04)**	**(1.86)**	**93.06**	**1,115.28**
Deferred tax assets (net)	**3.70**	**0.16**	**-**	**-**	**3.86**

Notes to Consolidated Financial Statements

Note 24 - Deferred tax liabilities (net)

The major components of deferred tax liabilities / assets on account of timing differences are as follows:

Particulars	**As at 1st January, 2017**	**Recognised in statement of profit and loss**	**Recognised in other comprehensive income**	**MAT credit utilised**	**As at 31st December, 2017**
Deferred tax liabilities, on account of					
Depreciation and amortisation	1,491.01	37.73	-	-	1,528.74
Undistributed profits of subsidiaries, joint venture and associates	73.58	68.77	-	-	142.35
	1,564.59	106.50	-	-	1,671.09
Deferred tax assets, on account of					
Employee benefits	88.33	(0.08)	(3.38)	-	84.87
Provision for slow and non moving spares	24.24	(3.54)			20.70
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	162.53	15.45	-	-	177.98
MAT credit entitlement	117.70	63.55	-	(62.64)	118.61
Others	157.33	(30.52)	-	-	126.81
Total	550.13	44.86	(3.38)	(62.64)	528.97
Deferred tax liabilities (net)	1,014.46	61.64	3.38	62.64	1,142.12
Deferred tax assets (net)	-	3.70	-	-	3.70

The Group has long term capital losses and business losses including unabsorbed depreciation of ₹ 39.79 crore (31st December, 2017 - ₹ 38.98 crore) for which no deferred tax assets have been recognised. A part of these losses will expire between financial years 2019-20 to 2025-26.

Further, the Group has not recognised deferred tax liability on undistributed earnings in subsidiaries to the extent of ₹ 9181.94 crore (31st December, 2017 - ₹ 7543.07 crore) considering its ability to control the timing of the reversal of temporary differences associated with such undistributed earnings and it is probable that such differences will not reverse in the foreseeable future.

*MAT Credit utilised is net of MAT credit entitlement of ₹ 34.72 crore increased on account of tax adjustments for earlier years as stated in note 62.

The Group expects to utilize the MAT credit within the next year

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Note 25 - Other non-current liabilities		
Rebate to customers	**7.17**	7.19
Total	**7.17**	7.19
Note 26 - Other current financial liabilities		
(Refer note 3(L)(II)(b) for accounting policy on financial liabilities)		
Security deposit and retention money	**958.32**	892.96
Liability for capital expenditure	**209.92**	154.05
Unclaimed dividends**	**56.64**	54.81
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile and ACRL	**2.50**	2.51
Foreign currency forward contract	**1.28**	-
Others (includes interest on security deposits)	**163.15**	149.15
Total	**1,391.81**	1,253.48
** Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates.		
Note 27 - Other current liabilities		
Advance received from customers	**313.70**	288.90
Statutory dues	**1,009.88**	1,035.77
Others (includes interest on income tax and rebates to customers)	**1,766.28**	1,879.93
Total	**3,089.86**	3,204.60

Notes to Consolidated Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 28 - Current provisions		
(Refer note 3(P) for accounting policy on retirement and other employee benefits)		
Provision for gratuity and staff benefit schemes (Refer note 44)	**18.53**	29.94
Long service award and other benefit plans	**1.02**	0.83
Provision for compensated absences	**99.69**	108.26
Total	**119.24**	139.03
Note 29 - Revenue from operations		
(Refer Note 3(O)(I) and (II) for accounting policy on revenue recognition)		
Sale of products (including excise duty of previous year ₹ 1707.05 crore) (Refer note - 64)	**25,411.50**	24,771.54
Sale of services	**7.40**	9.03
Other operating revenues		
Sale of power	**-**	0.08
Provisions no longer required written back	**32.27**	13.84
Sale of scrap	**85.02**	59.82
Insurance claims	**24.47**	17.37
Incentives and subsidies	**396.53**	237.55
Exchange gain / (loss) (net)	**-**	4.46
Miscellaneous income (includes other services)	**83.75**	178.86
Total	**26,040.94**	25,292.55
Note 30 - Other income		
(Refer Note 3(O)(III) and (IV) for accounting policy on interest income and dividends)		
Interest on :		
Bank deposits	**240.49**	164.44
Income tax refund	**0.10**	18.95
Others	**13.44**	16.89
	254.03	200.28
Dividend income		
From joint venture Company	**-**	1.12
Other non operating income :		
Gain on sale of current financial assets measured at FVTPL	**80.09**	81.91
Net gain on fair valuation of liquid mutual fund measured at FVTPL*	**1.42**	23.92
Net gain on non-current investment measured at FVTPL	**-**	10.32
Interest on income tax write back (Refer note 62)	**35.87**	-
Others	**0.03**	5.06
Total	**371.44**	322.61

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 31 - Cost of materials consumed		
Opening stock	**211.18**	196.91
Add : Purchases	**3,394.06**	2,867.16
	3,605.24	3,064.07
Less : closing stock	**258.74**	211.18
Total	**3,346.50**	2,852.89
Break-up of cost of materials consumed		
Fly ash	**946.21**	800.55
Gypsum	**577.15**	544.16
Slag	**478.55**	330.70
Others*	**1,344.59**	1,177.48
Total	**3,346.50**	2,852.89
* includes no item which in value individually accounts for 10 percent or more of the total value of materials consumed.		
Note 32 - Change in inventories of finished goods, work-in-progress and stock-in trade		
Inventories at the end of the year		
Work-in-progress	**561.25**	534.41
Finished goods	**402.46**	239.53
Stock-in-trade	**1.00**	0.17
Captive coal	**11.12**	-
	975.83	774.11
Inventories at the beginning of the year		
Work-in-progress	**534.41**	446.42
Finished goods	**239.53**	249.95
Stock-in-trade	**0.17**	0.02
Captive coal	**-**	-
	774.11	696.39
(Increase) / Decrease	**(201.72)**	(77.72)
Note 33 - Employee benefit expense		
Salaries and wages	**1,308.77**	1,300.03
Contribution to provident and other funds	**111.95**	110.57
Staff welfare expenses	**103.65**	100.64
Total	**1,524.37**	1,511.24
Note 34 - Finance costs		
Interest on:		
Income Tax (net of interest income on refund - ₹ Nil; previous year - ₹ 23.20 crore)	**52.79**	103.10
Defined benefit obligation (net)	**9.93**	9.48
Others (includes interest on security deposits)	**101.86**	88.62
Unwinding of financial liabilities	**2.82**	1.90
Unwinding of mines reclamation provision (Refer note 23)	**3.10**	2.68
Total	**170.50**	205.78
Note 35 - Depreciation and amortisation expense		
(Refer Note 3(B) and 3(D) for accounting policy on depreciation and amortisation)		
Depreciation of property, plant and equipment	**1,147.65**	1,214.59
Amortisation of intangible assets	**6.29**	4.86
Total	**1,153.94**	1,219.45

Notes to Consolidated Financial Statements

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 36 - Freight and forwarding expense		
On finished products	**6,010.39**	5,167.00
On internal material transfer	**1,262.02**	1,140.53
Total	**7,272.41**	6,307.53
Note 37 - Other Expenses		
Royalty on minerals	**521.13**	433.52
Consumption of stores and spare parts	**613.86**	630.84
Consumption of packing materials	**918.36**	801.22
Repairs	**372.84**	357.81
Rent (Refer note 45)	**187.37**	183.27
Rates and taxes	**235.05**	232.88
Insurance	**41.79**	42.07
Technology and know-how fees (net off recovery)	**253.93**	231.23
Advertisement	**125.27**	162.98
Donation	**52.12**	56.46
Exchange (gain) / loss (net)	**9.48**	-
Impairment losses on financial assets (including reversals of impairment losses)	**5.39**	2.20
Miscellaneous expenses*	**1,114.01**	1,077.27
Total	**4,450.60**	4,211.75
* Does not include any item of expenditure with a value of more than 1% of turnover.		
Note 38 - Earnings per share (EPS)		
(Refer Note 3(X) for accounting policy on Earnings per share)		
(i) Profit attributable to owners of the company for basic and diluted EPS	**2177.40**	1516.36
(ii) Weighted average number of equity shares for basic EPS	**1,985,645,229**	1,985,645,229
Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992	**316,262**	317,329
(iii) Weighted average number of shares for diluted EPS	**1,985,961,491**	1,985,962,558
(iv) Nominal value of equity share (in ₹)	**2.00**	2.00
(v) Earnings per equity share (in ₹)		
Basic	**10.97**	7.64
Diluted	**10.96**	7.64
Earnings per share (in ₹) excluding write back of income tax and interest thereon, related to earlier years (Refer note 62)		
i) Profit attributable to owners of the company as per the statement of profit and loss	**2,177.40**	1,516.36
Less: adjustments related to income tax and interest thereon, relating to earlier years, attributable to owners of the company.	**658.45**	-
Profit attributable to owners of the company after adjustments related to income tax and interest thereon, relating to earlier years	**1,518.95**	1,516.36
ii) Earnings per equity share (in ₹)		
Basic	**7.65**	7.64
Diluted	**7.65**	7.64

Notes to Consolidated Financial Statements

Particulars			As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Note 39 - Contingent liabilities and commitments (to the extent not provided for)				
(Refer Note 3(M)(II) for accounting policy on contingent liability)				
A)	**Contingent liabilities and claims against the group not acknowledged as debts related to various matters***			
	a)	Labour	**11.44**	34.50
	b)	Land	**26.44**	25.57
	c)	Royalty on Limestone	**28.79**	28.87
	d)	Sales tax (i)	**308.33**	303.92
	e)	Excise customs and service tax (ii)	**375.98**	93.68
	f)	Demand from Competition Commission of India (iii)	**3,006.33**	2,735.47
	g)	Collector of Stamps (iv)	**287.88**	287.88
	h)	Income tax (Refer note 62)	**914.11**	5.60
	i)	Claims for mining lease rent (v)	**73.46**	73.46
	j)	Others	**226.98**	179.94
		Total	**5,259.74**	3,768.89

* In respect of items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

i) Includes a matter relating to 75% exemption from sales tax granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company.

In year 2014, pursuant to the unfavourable decision of the Hon'ble Supreme Court in that similar matter, the sales tax department has initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case decision of the Hon'ble Supreme Court goes against in this matter.

Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December, 2017 - ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company has deposited ₹ 143.52 crore, including interest of ₹ 30 crore (31st December, 2017 - ₹ 143.52 crore including interest of ₹ 30.00 crore), towards sales tax under protest and filed a Special Leave Petition in the Hon'ble Supreme Court with one of the grounds that the tax exemption was availed by virtue of the order passed by the Board for Industrial and Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

ii) Includes, a matter wherein service tax department issued show cause notices for denial of cenvat credit with regard to service tax paid on outward transportation for sale to customers on F.O.R. basis. The Group availed the credit based on legal provision and various judicial precedence and matter was categorised as "remote". Recently, on the same matter of another cement company, Hon'ble Supreme Court has allowed service tax credit, however, in another case of the same company, Hon'ble Supreme Court has opined against the assessee. Considering conflicting decision and Central Board of Excise and Customs (CBIC) circular, based on legal opinion, the Group has revisited the matter and treated the same as "possible". Accordingly ₹ 267.94 crore has been disclosed as contingent liability.

Notes to Consolidated Financial Statements

Note 39 - Contingent liabilities and commitments (to the extent not provided for)

iii) a) In 2012, the Competition Commission of India (CCI) has imposed a penalty of ₹ 1,163.91 crore (31st December, 2017 - ₹ 1,163.91 crore) on the Company and ₹ 1,147.59 crore (31st December, 2017 - ₹ 1,147.59 crore) on its subsidiary ACC Limited, aggregating to ₹ 2,311.50 crore (31st December, 2017 - ₹ 2,311.50 crore), concerning alleged contravention of the provisions of the Competition Act, 2002. On appeal by the Company and ACC Limited, the Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August, 2016, imposed penalty of ₹ 1,163.91 crore (31st December, 2017 - ₹ 1,163.91 crore) on the Company and ₹ 1,147.59 crore (31st December, 2017 - ₹ 1,147.59 crore) on ACC Limited, aggregating to ₹ 2,311.50 crore (31st December, 2017 - ₹ 2,311.50 crore). The Company and ACC Limited have filed appeals against the said Order before the COMPAT. The COMPAT, vide its interim order dated 21st November, 2016 has stayed the penalty with a condition to deposit 10% of the penalty amount, in the form of fixed deposit (the said condition has been complied with) and levy of interest of 12% p.a., in case the appeal is decided against the appellant. Meanwhile, pursuant to the notification issued by Central Government on 26th May, 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT).

NCLAT, vide its Order dated 25th July, 2018, dismissed the appeal filed by the Company and ACC Limited and upheld the CCI's order. Against this, the Company and ACC Limited appealed to the Hon'ble Supreme Court, which by its order dated 5th October, 2018 admitted the appeal and directed to continue the interim order passed by the Tribunal, in the meantime.

b) In a separate matter, pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI by its Order dated 19th January, 2017 has imposed penalty of ₹ 29.84 crore (31st December, 2017 - ₹ 29.84 crore) on the Company and ₹ 35.32 crore (31st December, 2017 - ₹ 35.32 crore) on ACC Limited, aggregating to ₹ 65.16 crore (31st December, 2017 - ₹ 65.16 crore). On appeal by Company and ACC Limited, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company and ACC Limited believe they have good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the matter has been disclosed as contingent liability along with interest of ₹ 629.67 crore (31st December, 2017 - ₹ 358.81 crore).

iv) The Collector of Stamps, Delhi vide its Order dated 7th August, 2014, directed erstwhile Holcim (India) Private Limited (HIPL), (merged with the Company), to pay stamp duty (including penalty) of ₹ 287.88 crore (31st December, 2017 - ₹ 287.88 crore) on the merger order passed by Hon'ble High Court of Delhi, approving the merger of erstwhile Ambuja Cement India Private Limited with HIPL. HIPL had filed a writ petition and the Hon'ble High Court of Delhi has granted an interim stay. Based on the advice of external legal counsel, the Company believes that it has good grounds for success in writ petition. Accordingly, no provision is considered necessary.

v) ACC Limited, a subsidiary of the Company (ACC), had received a demand letter dated 10th May, 2013, from the Government of Tamil Nadu, seeking annual compensation for the period 01.04.1997 to 31.03.2014 for use of the Government land for mining, which ACC occupies on the basis of the mining leases. Despite ACC paying royalty at the prescribed rate for the minerals extracted from the leased land and paying surface rent regularly as per rules, the Authorities have issued the demand letter calling upon ACC to pay a sum of ₹ 73.46 crore as compensation for use of Government land. ACC has challenged the demand by way of revision under the Mineral Concession Rules and in a Writ Petition before the Hon'ble High Court of Tamil Nadu at Chennai, and has obtained orders restraining the State from taking any coercive steps. ACC is of the view and has been advised legally, that the merits are strongly in its favour.

B) Commitments

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**621.82**	386.92

Notes to Consolidated Financial Statements

Note 40 - Material demands and disputes relating to assets and liabilities considered as "remote" by the Group

a) The Cement manufacturing plants of the Company and ACC Limited, located in Himachal Pradesh were eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured in the said plants. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the companies to such deferment on the ground that the companies also manufacture an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was is in the negative list. A total demand of ₹ 149.31 crore (31st December, 2017 - ₹ 149.31 crore) was raised. Both the Companies have filed writ petitions before Hon'ble High Court of Himachal Pradesh against the demand and same have been admitted and the hearing is in process. Further, both the companies believe they have a strong case and the demand shall not sustain under law.

b) ACC Limited, a subsidiary of the Company (ACC), had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. ACC had accrued sales tax incentives aggregating ₹ 56 crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. ACC contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹ 64 crore (tax of ₹ 56 Crore and interest of ₹ 8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed ACC's appeal. ACC believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. ACC has been advised by legal experts that there is no change in the merits of ACC's case. Based on such advice, ACC filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

c) ACC Limited, a subsidiary of the Company (ACC), was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, ACC has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹ 7 Crore representing part of the One Time Lumpsum capital subsidy claim of ₹ 15 Crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by ACC. ACC had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/ raised by the Government.

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both ACC and the State Government, against a single bench order only partially allowing ACC's claim, in its order dated February 24, 2015, allowed ACC's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by ACC is correct and hence payable immediately.

The Government of Jharkhand had filed Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due Consequently, as of date, ACC received only ₹ 64 Crore out of total ₹ 235 Crore in part disbursement from the Government of Jharkhand. ACC is pursuing the matter of disbursement of further amounts outstanding. ACC is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP shall be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court

d) ACC Limited, a subsidiary of the Company (company), had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net off provision) (31st December, 2017 - ₹ 56.66 Crore), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore (31st December, 2017 - ₹ 115.62 Crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) ACC Limited, a subsidiary of the Company (ACC), is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by ACC on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed ACC's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to ACC, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. ACC maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. ACC has accrued an amount of ₹ 133 crore (31st December, 2017 - ₹ 133 Crore) on this account. ACC has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. ACC believes that the merits of the claim are strong.

Notes to Consolidated Financial Statements

Note 40 - Material demands and disputes relating to assets and liabilities considered as "remote" by the group

f) ACC Limited, a subsidiary of the Company (ACC), was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period. ACC received demand from District Mining Officer for ₹ 881 Crore as penalty for alleged illegal mining activities carried out by the company during January 1991 to September 2014. On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein. ACC then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance. On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting ACC to commence mining operations after depositing ₹ 48 Crore, being assessed value of materials dispatched between April 2014 to Sep 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by ACC.

Note 41 - Reconciliation of tax expenses and effective tax rate

Particulars	2018		2017	
	₹ in crore	**In %**	₹ in crore	In %
Profit before share of profit of associates and joint ventures and tax expenses	**2,906.01**		2,754.96	
At statutory income tax rate *	**1,012.45**	**34.84%**	953.49	34.61%
Effect of tax exempt income	**(0.38)**	**(0.01%)**	(2.42)	(0.09%)
Effect of non deductible expenses	**36.15**	**1.24%**	59.45	2.16%
Effect of allowances / tax holidays for tax purpose	**(158.21)**	**(5.44%)**	(229.07)	(8.31%)
Effect of previous year adjustments (Refer note 62)	**(872.64)**	**(30.03%)**	(24.11)	(0.88%)
Effect of undistributed profits of subsidiary	**(77.07)**	**(2.65%)**	67.53	2.45%
Others	**5.54**	**0.19%**	(2.02)	(0.07%)
At the effective income tax rate	**(54.15)**	**(1.86%)**	822.85	29.87%
Tax expense reported in consolidated statement of profit or loss	**(54.15)**	**(1.86%)**	822.85	29.87%

* Group follows calander year as financial year, therefore applicable statutory income tax rate is weighted average rate.

Note 42 - Segment reporting

(Refer note 3(U) for accounting policy on segment reporting)

The principal business of the Group is of manufacturing and sale of cement and cement related products. All other activities of the Group revolve around its principal business. The Executive Committee of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Group's performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit. CODM have concluded that there is only one operating reportable segment as defined by Ind AS 108- Operating Segments, i.e. cement and cement related products.

A) Information about revenue from external customers in various geographical areas

The Group operates in following geographical areas

₹ in crore

Particulars	Revenues from customers		Non-current assets*	
	2018	2017	**As at 31.12.2018**	As at 31.12.2017
a) India	**25,413.80**	24,714.30	**24,491.69**	23,933.09
b) Others#	**5.10**	66.27	**3.91**	3.93
Total	**25,418.90**	24,780.57	**24,495.60**	23,937.02

* As per Ind AS 108 - Operating Segments, non current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

Sales outside India are in functional currency.

B) Information about major customers

No single customer contributed 10% or more to the group's consolidated revenue during the years ended 31st December, 2018 and 31st December, 2017.

Notes to Consolidated Financial Statements

Note 43 - Group information

The consolidated financial statements comprise the financial statements of the members of the Group as under

Sr	Name of the Company	Principal activities	Country of Incorporation	Proportion of ownership interest (effective holding) As at 31.12.2018	As at 31.12.2017
1	**Direct Subsidiaries**				
	M.G.T Cements Private Limited	Cement and cement related products	India	**100.00%**	100.00%
	Chemical Limes Mundwa Private Limited	Cement and cement related products	India	**100.00%**	100.00%
	Dang Cement Industries Private Limited	Cement and cement related products	Nepal	**91.63%**	91.63%
	Dirk India Private Limited	Cement and cement related products	India	**100.00%**	100.00%
	ACC Limited	Cement and cement related products	India	**50.05%**	50.05%
	OneIndia BSC Private Limited	Shared Services	India	**75.03%**	75.03%
2	**Indirect Subsidiaries**				
	Bulk Cement Corporation (India) Limited (BCCI)	Cement and cement related products	India	**47.37%**	47.37%
	ACC Mineral Resources Limited	Cement and cement related products	India	**50.05%**	50.05%
	Lucky Minmat Limited	Cement and cement related products	India	**50.05%**	50.05%
	National Limestone Company Private Limited	Cement and cement related products	India	**50.05%**	50.05%
	Singhania Minerals Private Limited	Cement and cement related products	India	**50.05%**	50.05%
3	**Associates of Subsidiary**				
	Alcon Cement Company Private Limited	Cement and cement related products	India	**20.02%**	20.02%
	Asian Concretes and Cements Private Limited	Cement and cement related products	India	**22.52%**	22.52%
4	**Joint Venture**				
	Counto Microfine Products Private Limited	Cement and cement related products	India	**50.00%**	50.00%
5	**Joint Venture of Subsidiary**				
	Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	**20.02%**	20.02%
6	**Joint Operation**				
	Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	**27.27%**	27.27%
7	**Joint Operations of Subsidiary**				
	MP AMRL(Semaria) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%
	MP AMRL(Bicharpur) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%
	MP AMRL(Marki Barka) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%
	MP AMRL(Morga) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%

Note : The financial statements of the above companies are drawn upto the same reporting date as that of the Group.

Notes to Consolidated Financial Statements

Note 44 - Employee benefits

(Refer Note 3(P) for accounting policy on retirement and other employee benefits)

a) Defined contribution plans

Defined contribution plans - amount recognised and included in note 33 "contribution to provident and other funds" of the consolidated statement of profit and loss ₹ 47.61 crore (previous year - ₹ 47.35 crore).

b) Defined benefit plans - as per actuarial valuation

Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary).

c) Inherent risk

The plan typically exposes the Group to actuarial risks such as investment risk, interest rate risk, demographic risk, salary inflation risk and longevity risk.

i) **Investment risk -** As the plan assets include significant investments in quoted debt and equity instruments, the Group is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

ii) **Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will tend to increase.

iii) **Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

iv) **Salary Inflation risk :** All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation.

v) **Longevity risk :** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d) Other non funded plans include death and disability benefits, non-funded gratuity and post employment healthcare benefits for certain employees.

Summary of 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	2018		2017	
		Funded	**Other non funded**	Funded	Other non funded
		₹ in crore	**₹ in crore**	₹ in crore	₹ in crore
I	**Expense recognised in the consolidated statement of profit and loss**				
1	Current service Cost	**23.84**	**8.99**	24.35	9.10
2	Interest cost	**23.62**	**9.21**	22.29	8.11
3	Employee Contribution	**-**	**-**	-	(0.33)
4	Interest (income) on plan assets	**(22.90)**	**-**	(20.91)	-
5	Past service cost	**-**	**(13.23)**		
	Total	**24.56**	**4.97**	25.73	16.88
II	**Net asset / (liability) recognised in the balance sheet**				
1	Present value of defined benefit obligation	**322.40**	**127.28**	339.88	132.04
2	Fair value of plan assets	**308.53**	**-**	319.46	-
3	Funded status[surplus/(deficit)]	**(13.87)**	**(127.28)**	(20.42)	(132.04)
4	Net asset/(liability)	**(13.87)**	**(127.28)**	(20.42)	(132.04)

Notes to Consolidated Financial Statements

Note 44 - Employee benefits

Particulars			2018		2017	
			Funded	**Other non funded**	Funded	Other non funded
			₹ in crore	**₹ in crore**	₹ in crore	₹ in crore
III	**Change in defined benefit obligation during the year**					
	1	Present value of defined benefit obligation at the beginning of the year	**339.88**	**132.04**	343.55	124.63
	2	Current service cost	**23.84**	**8.99**	24.35	9.10
	3	Interest service cost	**23.62**	**9.21**	22.29	8.11
	4	Employee Contributions	**-**	**-**	-	(0.33)
	5	Past service cost	**-**	**(13.23)**	-	-
	6	Actuarial (gains)/losses recognised in consolidated other comprehensive income:				
		- Change in financial assumptions	**(3.64)**	**(1.17)**	(13.02)	(7.53)
		- Experience Changes	**3.73**	**3.16**	(0.22)	9.44
	7	Benefit payments	**(64.27)**	**(11.74)**	(37.08)	(12.08)
	8	Net transfer in on account of business combinations / others	**(0.76)**	**0.15**	0.01	1.03
	9	Present value of defined benefit obligation at the end of the year*	**322.40**	**127.41**	339.88	132.37
	* During the year, the Group has discontinued actuarial valuation for its one "other non-funded" plan and merged another "non-funded plan" into "funded plan. Accordingly "present value of defined benefit obligation" of non funded plan is having a difference of ₹ 0.49 crores for the current year.					
IV	**Change in fair value of assets during the year**					
	1	Plan assets at the beginning of the year	**319.46**	**-**	315.38	-
	2	Interest income	**22.90**	**-**	20.91	-
	3	Contribution by employer	**28.00**	**-**	22.69	-
	4	Actual benefit paid	**(59.43)**	**-**	(37.08)	-
	5	Return on plan assets (excluding interest income)	**(2.40)**	**-**	(2.44)	-
	6	Plan assets at the end of the year	**308.53**	**-**	319.46	-
V	**Re-measurements recognised in consolidated other comprehensive income (OCI)**					
	1	Change in financial assumptions	**(3.64)**	**(1.17)**	(13.02)	(7.53)
	2	Experience changes	**3.73**	**3.16**	(0.22)	9.44
	3	Return on plan assets (excluding interest income)	**2.40**	**-**	2.44	-
	4	Amount recognised in other comprehensive income (OCI).	**2.49**	**1.99**	(10.80)	1.91
VI	**Maturity profile of defined benefit obligation**					
	1	Within the next 12 months	**35.85**	**9.88**	34.46	12.95
	2	Between 1 and 5 years	**146.92**	**45.05**	175.35	51.99
	3	Between 5 and 10 years	**149.95**	**52.57**	196.10	64.61

Notes to Consolidated Financial Statements

Note 44 - Employee benefits

	Particulars	2018		2017	
		Funded	Other non funded	Funded	Other non funded
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
VII	**Sensitivity analysis for significant assumptions***				
	Present value of defined benefits obligation at the end of the year (for change in 100 basis points)				
	1 For increase in discount rate by 100 basis points	**302.58**	**116.72**	319.47	121.69
	2 For decrease in discount rate by 100 basis points	**344.82**	**139.32**	362.94	144.96
	3 For increase in salary rate by 100 basis points	**344.69**	**115.03**	361.88	120.38
	4 For decrease in salary rate by 100 basis points	**302.31**	**97.52**	319.68	105.49
	5 For increase in medical inflation rate by 100 basis points	**-**	**24.14**	NA	20.33
	6 For decrease in medical inflation rate by 100 basis points	**-**	**19.10**	NA	18.86
	* These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the reporting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.				
VIII	**The major categories of plan assets as a percentage of total plan**				
	Qualifying insurance policy with Life Insurance Corporation of India (LIC) and HDFC Life Insurance #	**100%**	**NA**	100%	NA
IX	**Weighted average duration of defined benefit obligation**	**10 years**	**10 - 10.20 years**	7 - 9 years	4 - 8.8 years
X	**Actuarial assumptions**				
	1 Discount rate (% p.a.)	**7.45% - 7.55%**	**7.45% - 7.55%**	7.30% - 7.35%	7.30% - 7.35%
	2 Expected rate of return on plan assets (% p.a.)	**7.45% - 7.55%**	**NA**	7.30% - 8.00%	NA
	3 Mortality	**Indian Assured Lives Mortality (IALM) (2006-08) Ult.**		Indian Assured Lives Mortality (IALM) (2006-08) Ult.	
	4 Turnover rate	**Upto age of 44 years : 5% and above 44 years: 1%**		Upto age of 44 years : 5% and above 44 years: 1%	
	5 Medical premium inflation (% p.a.)	**NA**	**8% - 12% for the first four years and thereafter 8%**	NA	8% - 12% for the first four years and thereafter 8%
	6 Retirement Age:	**58 - 60 years**	**58 - 60 years**	58 - 60 years	58 - 60 years
	7 Salary escalation (% p.a.)	**7%**	**7%**	7%	7%

In the absence of detailed information regarding plan assets which are funded with LIC and HDFC Life Insurance, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

XI Basis used to determine expected rate of return on assets

The Group has considered the current level of returns declared by LIC and HDFC Life Insurance i.e. 7.30 % - 8.00% to develop the expected long-term return on assets for funded plan of gratuity.

XII 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.

Notes to Consolidated Financial Statements

Note 44 - Employee benefits

e) Amount recognised as expense in respect of compensated absences is ₹ 31.08 crore (previous year - ₹ 15.24 crore).

f) The Group expects to make contribution of ₹ 29.90 crore (previous year - ₹ 28.10 crore) to the defined benefit plans during the next year.

g) Provident fund managed by a trust set up by the Group

The Group has contributed ₹ 30.32 crore (previous year - ₹ 30.09 crore) towards provident fund liability. Deficit of ₹ 3.44 crore (previous year - ₹ Nil) in the accumulated corpus fund is recognised in the consolidated statement of profit and loss.

	As at 31.12.2018	As at 31.12.2017
Details of the fund and asset position		
Plan assets at the year end, at fair value	**868.92**	845.96
Present value of benefit obligation at year end	**869.55**	843.15
Net Liability / (Asset) *	**0.63**	(2.81)
Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach are :		
Discount rate	**7.45% - 7.55%**	7.30% - 7.35%
Interest rate guarantee	**8.55%**	8.65%
Expected rate of return of assets	**8.80% - 9.20%**	8.60% - 9.02%

* Only liability is recognised in the books

Note 45 - Leases

(Refer note 3(T) for accounting policy on leases)

A) Operating Leases - Group as a lessee

i) The Group has entered into various long term lease agreements for land. The Group does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at 31st December, 2018 aggregating ₹ 37.56 crore (31st December, 2017 - ₹ 44.68 crore) is included in other non current / current assets, as applicable.

ii) The Group has taken various residential premises, office premises, warehouses, grinding facility, concrete pumps, godowns, transit mixer and flats, under operating lease agreements. These are generally cancellable and renewable by mutual consent on mutually agreed terms.

iii) The lease payments recognised in the consolidated statement of profit and loss under other expenses amounts to ₹ 177.93 crore (31st December, 2017 - ₹ 183.27 crore).

iv) The lease payments recognised in the consolidated statement of profit and loss under freight and forwarding expense on finished products amounts to ₹ 35.94 crore (31st December, 2017 - ₹ 32.05 crore).

v) General description of the leasing arrangement:

Future lease rentals are determined on the basis of agreed terms. There are no restrictions imposed by lease arrangements. There are no subleases.

Future lease rental payments under non-cancellable operating leases are as follows :

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Not later than one year	**79.99**	98.53
Later than one year and not later than five years	**96.04**	124.72
Later than five years	**51.71**	44.80
Total	**227.74**	268.05

The Group has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Group has evaluated such arrangement based on facts and circumstances and have identified them in the nature of lease as the group takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

Note 45 - Leases

The Group has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

The Group has concluded that it is impracticable to separate the lease payments from other payments made under the arrangement reliably and hence all payments under this arrangement are considered as lease payments.

There are no minimum lease payments under such arrangement.

B) Finance Leases - Group as a lessee

The Group has entered into various finance lease agreements for land which have been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land (Refer note 4). The Group does not have an option to purchase such leasehold land at the expiry of the lease period. There are no restrictions such as those concerning dividends, additional debts and further leasing imposed by the lease agreement.

Note 46 - Related party disclosure

1) Name of related parties

A) Name of related parties where control exists

Sr.	Name of the related parties	Nature of Relationship
i)	LafargeHolcim Limited, Switzerland	Ultimate Holding Company
ii)	Holderfin B.V., Netherlands	Intermediate Holding Company
iii)	Holderind Investments Limited, Mauritius	Holding Company

B) Other with whom transactions have taken place during the current year and / or previous year

i) Related parties

Sr.	Name of the related parties	Nature of Relationship
a)	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
b)	Holcim Technology Limited, Switzerland	Fellow Subsidiary
c)	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
d)	Holcim Services (South Asia) Limited	Fellow Subsidiary
e)	Holcim Trading FZCO, UAE	Fellow Subsidiary
f)	LH Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	Fellow Subsidiary
g)	PT Holcim Indonesia Tbk., Indonesia	Fellow Subsidiary
h)	Lafargeholcim Bangladesh Limited	Fellow Subsidiary
i)	Holcim Cement (Bangladesh) Limited, Bangladesh	Fellow Subsidiary
j)	Holcim (Romania) S.A., Romania	Fellow Subsidiary
k)	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
l)	Holcim Technology (Singapore) Pte Limited, Singapore	Fellow Subsidiary
m)	Geocycle (Deutschland) Gmbh., Deutschland	Fellow Subsidiary
n)	Cementos Apasco SA de CV (LHMEX), Mexico	Fellow Subsidiary
o)	Lafarge Zambia PLC	Fellow Subsidiary
p)	Lafarge Centre De Recherhe S.A.S,France	Fellow Subsidiary
q)	LafargeHolcim Building Materials (China) Co., Limited	Fellow Subsidiary
r)	Lafarge Cement AS	Fellow Subsidiary
s)	Counto Microfine Products Private Limited	Joint Venture

Notes to Consolidated Financial Statements

Note 46 - Related party disclosure

t)	Aakaash Manufacturing Company Private Limited	Joint Venture of Subsidiary
u)	Alcon Cement Company Private Limited	Associate of Subsidiary
v)	Asian Concretes and Cements Private Limited	Associate of Subsidiary
w)	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
x)	Ambuja Cements Limited Employees Gratuity Fund Trust	Trust (Post-employment benefit plan)
y)	The Provident Fund of ACC Limited	Trust (Post-employment benefit plan)
z)	ACC Limited Employees Group Gratuity Scheme	Trust (Post-employment benefit plan)

ii) Key management personnel

Sr.	Name of the related parties	Nature of Relationship
a)	Mr. N.S.Sekhsaria	Non -Executive Director
b)	Mr. Eric Olsen	Non-Executive Director (upto 20th September, 2017)
c)	Mr. Jan Jenisch	Non-Executive Director (with effect from 24th October, 2017)
d)	Mr. Martin Kriegner	Non-Executive Director
e)	Mr. Christof Hassig	Non-Executive Director
f)	Ms. Usha Sangwan	Non-Executive Director (upto 20th December, 2018)
g)	Mr. B.L.Taparia	Non-Executive Director
h)	Mr. Nasser Munjee	Independent Director
i)	Mr. Rajendra P. Chitale	Independent Director
j)	Mr. Shailesh Haribhakti	Independent Director
k)	Dr. Omkar Goswami	Independent Director
l)	Mr. Haigreve Khaitan	Independent Director
m)	Mr. Roland Kohler	Non-Executive Director (with effect from 20th February, 2018)
n)	Mr. Ajay Kapur	Managing Director & Chief Executive Officer
o)	Mr. Suresh Joshi	Chief Financial Officer
p)	Mr. Rajiv Gandhi	Company Secretary

2) Transaction with related party

		Particulars	**31.12.2018 ₹ in crore**	31.12.2017 ₹ in crore
A)	**Transactions with fellow subsidiaries**			
	1	**Purchase of goods**		
		LafargeHolcim Energy Solutions S.A.S., France	**549.94**	636.36
		Lafarge Centre De Recherhe S.A.S,France	**-**	0.02
			549.94	636.38
	2	**Receiving of services**		
		Holcim Group Services Limited, Switzerland	**2.81**	2.97
		Holcim Technology Limited, Switzerland	**253.92**	230.08
		Holcim Services (South Asia) Limited	**147.73**	151.56
			404.46	384.61

Notes to Consolidated Financial Statements

Note 46 - Related party disclosure

	Particulars	31.12.2018 ₹ in crore	31.12.2017 ₹ in crore
3	**Rendering of services**		
	Holcim Technology Limited (Singapore) Pte Limited	**-**	0.01
	Holcim Group Services Limited, Switzerland	**2.19**	-
	Holcim Technology Limited, Switzerland	**1.45**	-
	Lafarge Zambia PLC	**0.03**	-
	Holcim Services (South Asia) Limited	**7.40**	-
		11.07	0.01
4	**Other recoveries**		
	Holcim Technology Limited, Switzerland	**0.58**	3.09
	LafargeHolcim Energy Solutions S.A.S., France	**0.30**	0.06
	LH Trading Pte Limited, Singapore	**0.13**	0.01
	Lafargeholcim Bangladesh Limited	**0.01**	-
	Cementos Apasco SA de CV (LHMEX),Mexico	**-**	0.11
		1.02	3.27
5	**Other payments**		
	LafargeHolcim Energy Solutions S.A.S., France	**2.33**	3.47
	Holcim Technology Limited, Switzerland	**0.96**	0.07
	LafargeHolcim Building Materials (China) Co., Limited	**0.88**	-
	Lafarge Cement AS	**0.01**	-
		4.18	3.54
6	**Amounts receivable at the year end**		
	Holcim Cement (Bangladesh) Limited, Bangladesh	**0.01**	0.01
	PT Holcim Indonesia Tbk., Indonesia	**0.15**	0.15
	Holcim Technology Limited, Switzerland	**1.45**	-
	Holcim Philippines, Inc., Philippines	**0.02**	0.02
	Holcim Technology (Singapore) Pte Limited	**0.01**	0.01
	Cementos Apasco SA de CV (LHMEX),Mexico	**-**	0.11
	LafargeHolcim Trading Pte Limited, Singapore	**0.13**	0.01
	Holcim Group Services Limited, Switzerland	**2.19**	-
	Lafarge Zambia PLC	**0.03**	-
	LafargeHolcim Bangladesh Limited	**0.01**	-
	Holcim Services (South Asia) Limited	**7.65**	-
		11.65	0.31
7	**Amounts payable at the year end**	**-**	
	Holcim Technology Limited, Switzerland	**62.78**	53.21
	Holcim Services (South Asia) Limited	**2.08**	23.00
	Holcim (Romania) S.A., Romania	**0.03**	0.03
	Holcim Trading FZCO, UAE	**0.18**	0.17
	Holcim Group Services Limited, Switzerland	**1.70**	0.85
	Lafarge Center de Recherche LCR	**-**	0.02
	Geocycle (Deutschland) Gmbh., Deutschland	**-**	0.01
	LafargeHolcim Energy Solutions S.A.S., France	**194.39**	247.54
	LafargeHolcim Building Materials (China) Co., Limited	**0.89**	-
		262.05	324.83

Notes to Consolidated Financial Statements

Note 46 - Related party disclosure

		Particulars	31.12.2018 ₹ in crore	31.12.2017 ₹ in crore
B)	**Transactions with Holding company**			
	1	**Dividend paid**		
		Holderind Investments Limited, Mauritius	**263.25**	365.18
	2	**Rendering of Services**		
		LafargeHolcim Limited	**2.62**	-
	3	**Amounts receivable at the year end**		
		LafargeHolcim Limited	**3.07**	0.52
C)	**Transactions with Associates**			
	1	**Purchase of goods**		
		Alcon Cement Company Private Limited (Refer note 63 (a))	**71.89**	69.58
		Asian Concretes and Cements Private Limited	**20.76**	25.53
			92.65	95.11
	2	**Sale of goods**		
		Alcon Cement Company Private Limited (Refer note 63 (a))	**26.40**	27.33
	3	**Rendering of services**		
		Alcon Cement Company Private Limited	**-**	1.19
	4	**Receiving of services**		
		Asian Concretes and Cements Private Limited	**117.92**	91.57
	5	**Other recoveries**		
		Alcon Cement Company Private Limited	**14.71**	10.52
		Asian Concretes and Cements Private Limited	**-**	0.03
			14.71	10.55
	6	**Other payments**		
		Alcon Cement Company Private Limited	**2.62**	2.04
		Asian Concretes and Cements Private Limited	**0.54**	3.41
			3.16	5.45
	7	**Dividend received**		
		Alcon Cement Company Private Limited	**0.41**	3.06
	8	**Amounts receivable at the year end**		
		Alcon Cement Company Private Limited	**8.99**	11.78
	9	**Amounts payable at the year end**		
		Alcon Cement Company Private Limited	**3.69**	8.92
		Asian Concretes and Cements Private Limited	**19.27**	14.70
			22.96	23.62
D)	**Transactions with joint ventures**			
	1	**Rendering of services**		
		Counto Microfine Products Private Limited	**3.03**	2.16
	2	**Dividend Received**		
		Counto Microfine Products Private Limited	**-**	2.25
		Aakaash Manufacturing Company Private Limited	**0.68**	1.69
			0.68	3.94
	3	**Purchase of Goods**		
		Counto Microfine Products Private Limited	**3.28**	3.35
		Aakaash Manufacturing Company Private Limited	**104.12**	93.12
			107.40	96.47

Notes to Consolidated Financial Statements

Note 46 - Related party disclosure

		Particulars	31.12.2018 ₹ in crore	31.12.2017 ₹ in crore
	4	**Sale of goods**		
		Counto Microfine Products Private Limited	0.16	0.30
		Aakaash Manufacturing Company Private Limited	14.57	22.35
			14.73	22.65
	5	**Other recoveries**		
		Counto Microfine Products Private Limited	0.01	0.01
		Aaakash Manufacturing Company Private Limited	2.13	0.37
			2.14	0.38
	6	**Other payments**		
		Aakaash Manufacturing Company Private Limited	-	0.29
	7	**Buy back of shares**		
		Counto Microfine Products Private Limited	1.50	-
	8	**Amounts receivable at the year end**		
		Counto Microfine Products Private Limited	0.64	0.56
		Aakaash Manufacturing Company Private Limited	1.30	3.63
			1.94	4.19
	9	Amounts payable at the year end		
		Counto Microfine Products Private Limited	0.63	0.65
		Aakaash Manufacturing Company Private Limited	19.31	18.36
			19.94	19.01
E)	**Transactions with key management personnel**			
	1	**Short term employee benefits (Refer note 4 below)**		
		Mr. Ajay Kapur (Refer note 5 below)	10.51	8.89
		Mr. Suresh Joshi	2.54	2.18
		Mr. Rajiv Gandhi	0.96	0.84
			14.01	11.91
	2	**Post employment benefit**		
		Mr. Ajay Kapur	0.45	0.41
		Mr. Suresh Joshi	0.22	0.20
		Mr. Rajiv Gandhi	0.11	0.10
			0.78	0.71
	3	**Commission, Sitting fees, advisory fees and other reimbursement**		
		Mr. N.S. Sekhsaria	0.56	0.56
		Mr. Eric Olsen	-	0.16
		Mr. Martin Kriegner (Refer note 3 below)	0.05	0.42
		Mr. Christof Hassig	0.24	0.25
		Ms. Usha Sangwan	0.20	0.22
		Mr. Nasser Munjee	0.45	0.43
		Mr. Rajendra P. Chitale	0.57	0.58
		Mr. Shailesh Haribhakti	0.43	0.45
		Dr. Omkar Goswami	0.44	0.46

Note 46 - Related party disclosure

Particulars	31.12.2018 ₹ in crore	31.12.2017 ₹ in crore
Mr. Haigreve Khaitan	**0.43**	0.41
Mr. Jan Jenisch	**0.21**	0.04
Mr Roland Kohler	**0.19**	-
Mr. B.L.Taparia	**1.37**	1.52
	5.14	5.50
Notes:		
1 The Group is required to contribute a specified percentage of the employee compensation for eligible employees towards providend fund. For the same the Group makes monthly contributions to a trust specified for this purpose as below		
Ambuja Cements Limited staff provident fund trust	**5.15**	4.97
The Provident fund of ACC Limited	**22.71**	22.35
	27.86	**27.32**
2 Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees. The Group has contribued following amounts		
Ambuja Cements Limited Employees Grautity fund trust	**7.00**	15.50
ACC limited Employees Group Gratuity scheme	**21.00**	7.19
	28.00	**22.69**
3 Mr. Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 23rd October, 2018.		
4 Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Group basis are not included.		
5 The performance incentive to Managing director and Chief Executive Officer is accounted for as and when it is approved by the Board of Directors.		
6 The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group has not recorded any loss allowances for trade receivables from related parties (previous year - nil).		

Note 47 - Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A) Fair value measurements

The Group uses the following hierarchy for determining and / or disclosing the fair value of financial instruments by valuation techniques :

Level 1 - This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Note 47 - Financial instruments

B) Classification of financial assets and liabilities

Particulars	Note	Carrying value		Fair value		Valuation technique and key inputs
		As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore	
Financial assets						
Measured at fair value through the statement of profit and loss (FVTPL)						
Investment in equity shares (other than, joint ventures and associates) (Level 3)	8	**-**	-	**-**	-	Discounted cash flow method
Cash and cash equivalents - investment in liquid mutual funds (Level 1)	14	**953.50**	2,467.38	**953.50**	2,467.38	Using net asset value
Measured at amortized cost						
Trade Receivables	13	**1,304.54**	931.53	**1,304.54**	931.53	
Loans (Current and Non-Current)	9, 16	**311.93**	323.86	**311.93**	323.86	
Investments in bonds (Level 2)	8	**3.70**	33.30	**3.70**	25.38	Discounted cash flow method
Cash and cash equivalents - certificates of deposits	14	**836.10**	764.83	**836.10**	764.83	
Cash and cash equivalents - others	14	**4,303.51**	2,641.30	**4,303.51**	2,641.30	
Bank balances other than cash and cash equivalents	15	**346.17**	358.07	**346.17**	358.07	
Other financial assets (Current and Non-Current)	10, 17	**158.72**	114.95	**158.72**	114.95	
Measured at fair value through other comprehensive income		**-**	-	**-**	-	
Total		**8,218.17**	7,635.22	**8,218.17**	7,627.30	
Financial liabilities						
Measured at fair value through the statement of profit and loss (FVTPL)		**-**	-	**-**	-	
Foreign currency forward contract		**1.28**	-	**1.28**	-	
Measured at amortized cost						
Trade payables		**3,006.20**	2,816.01	**3,006.20**	2,816.01	
Other financial liabilities (non-current and current)	22, 26	**1,391.71**	1,255.23	**1,391.71**	1,255.23	
Interest free loan from State Government (Level 3)	21	**39.68**	24.12	**27.16**	16.32	Discounted cash flow method
Total		**4,438.87**	4,095.36	**4,426.35**	4,087.56	

The Group considers that the carrying amount of loans, other financial assets, trade receivables, cash and cash equivalents excluding investments in liquid mutual funds, bank balances other than cash and cash equivalents, other financial liabilities (excluding derivative financial instruments) and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

C) The following methods and assumptions were used to estimate the fair values :

Quoted bid prices in an active market - unadjusted quoted price in principle market in which equity instrument is actively traded

Investments in liquid mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held. Fair value of certificate of deposits is determined based on the indicative quotes of price and yields prevailing in the market at the reporting date.

Under Discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.

Notes to Consolidated Financial Statements

Note 48 - Capital management

The Group's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework.

The management of the Group reviews the capital structure of the Group on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

The Group does not have any debt funding and thus meets its capital requirement through internal accruals. The Group is not subject to any externally imposed capital requirements.

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Total debt	**39.68**	24.12
Less : Cash and cash equivalents	**6,093.11**	5,873.51
Net debt	**(6,053.43)**	(5,849.39)
Total equity	**27,601.67**	25,280.16
Debt to equity net	**Nil**	Nil

Note 49 - Dividend distribution made and proposed

Particulars	**2018 ₹ in crore**	2017 ₹ in crore
A) Cash dividends on equity shares declared and paid		
i) Interim dividend for the year ended 31st December, 2018 ₹ Nil (31st December, 2017 - ₹ 1.60 per share)	**-**	317.70
ii) Dividend distribution tax on interim dividend	**-**	43.63
iii) Final dividend for the year ended 31st December, 2017 ₹ 2.00 per share (31st December, 2016 - ₹ 1.20 per share)	**397.13**	238.28
iv) Dividend distribution tax on final dividend	**52.65**	37.03
Total	**449.78**	636.64
B) Proposed dividends on equity shares		
i) Final dividend for the year ended 31st December, 2018 ₹ 1.50 per share (31st December, 2017 - ₹ 2.00 per share)	**297.85**	397.13
ii) Dividend distribution tax on proposed final dividend *	**34.17**	52.65
Total	**332.02**	449.78

*Dividend distribution tax on proposed dividend for the previous year has been changed due to change in dividend distribution tax rate with effect from 1st April, 2018.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon).

Note 50 - Assets classified as held for sale

(Refer Note 3(Q) for accounting policy on Non-current assets held for sale)

Particulars	**2018 ₹ in crore**	2017 ₹ in crore
Plant and equipment (i)	**6.44**	7.75
Building (ii)	**5.11**	5.39
Total	**11.55**	13.14

i) The Group intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Group expects the fair value less cost to sell to be higher than carrying amount.

ii) The Group intends to dispose off building (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ₹ 0.28 crore (previous year - ₹ 0.28 crore) is recognised in the consolidated statement of profit and loss under other expenses.

Notes to Consolidated Financial Statements

Note 51 - Government grants

(Refer Note 3(W) for accounting policy on government grants and subsidies)

Particulars	2018 ₹ in crore	2017 ₹ in crore
Recognised in consolidated statement of profit and loss		
Incentives and subsidies (under various incentive schemes of State and Central Governement)	**396.53**	237.55
Discounting income on interest free VAT loan from State Government	**8.81**	4.05
Total	**405.34**	241.60

* There are no unfulfilled conditions or contingencies attached to these grants.

Note 52 - Financial risk management objectives and policies

The Group has a system-based approach to risk management, established policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks such as market risk, credit risk and liquidity risk that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Group's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews policies for managing each of these risks, which are summarized below.

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk a) interest rate risk b) currency risk and c) other price risk. Financial instruments are affected by market risk comprise deposits, investments, borrowings, trade payables.

The Group is not an investor in equity market. The Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Group investments are predominantly held in fixed deposits, liquid mutual funds (debt market) and certificates of deposit. Mark to market movements in respect of the group investments are valued through the statement of profit and loss. Fixed deposits are held with highly rated banks, have a short tenure and are not subject to interest rate volatility.

Assumption made in calculating the sensitivity analysis

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group exposure to the risk of changes in market interest rates relates primarily to the security deposit taken from its dealers.

Interest risk exposure

Particulars	2018 ₹ in crore	2017 ₹ in crore
Security deposit from dealers (fixed rate)	**958.32**	892.96
Non Interest bearing borrowings	**39.68**	24.12
Total	**998.00**	917.08
Interest rate sensitivities for unhedged exposure *		
Security deposit from dealers (fixed rate)		
Impact of increase in 100 bps	**15.66**	21.36
Impact of decrease in 100 bps	**(15.66)**	(21.36)

* Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

Note 52 - Financial risk management objectives

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities. The aim of the Group's approach to manage currency risk is to leave the Group with no material residual risk. The Group is not exposed to significant foreign currency risk. Based on sensitivity analysis, the Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows

Particulars	As at 31.12.2018		As at 31.12.2017	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	**2.68**	**0.04**	0.54	0.01
DKK	**-**	**-**	-	-
EURO	**6.51**	**0.08**	6.43	0.09
GBP	**0.05**	**-**	-	-
JPY	**1.01**	**1.60**	-	0.01
SEK	**0.27**	**0.03**	0.01	-
SGD	**0.12**	**-**	0.10	-
USD	**56.96**	**0.84**	302.20	4.64
CNY	**0.89**	**0.09**	-	-
Trade payable and other current financial liabilities				
USD (Hedged) - Forward contracts against imports	**147.96**	**2.14**	-	-
Trade receivables, loans and other financial assets				
CHF	**0.17**	**-**	0.54	0.01
DKK	**0.01**	**-**	-	-
EURO	**6.32**	**0.06**	7.03	0.10
GBP	**0.01**	**-**	-	-
JPY	**1.90**	**3.01**	-	0.01
SEK	**0.24**	**0.03**	-	-
SGD	**0.22**	**-**	0.07	-
USD	**2.55**	**0.04**	2.76	0.04
CNY	**-**	**-**	-	-

Foreign currency sensitivity on unhedged exposure - (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

Particulars	As at 31.12.2018		As at 31.12.2017	
	1 % Increase ₹ in crore	1 % decrease ₹ in crore	1 % Increase ₹ in crore	1 % decrease ₹ in crore
Trade Payables				
CHF	**0.03**	**-**	-	-
DKK	**-**	**-**	-	-
EURO	**0.96**	**(0.96)**	0.06	(0.06)
GBP	**-**	**-**	-	-
JPY	**0.01**	**(0.01)**	-	-
SEK	**-**	**-**	-	-

Note 52 - Financial risk management objectives

Particulars	As at 31.12.2018		As at 31.12.2017	
	1 % Increase ₹ in crore	1 % decrease ₹ in crore	1 % Increase ₹ in crore	1 % decrease ₹ in crore
SGD	-	-	-	-
USD	**0.18**	**(0.18)**	3.03	(3.03)
CNY	**0.01**	**(0.01)**	-	-
Trade Receivable				
CHF	-	-	0.01	(0.01)
DKK	-	-	-	-
EURO	**0.07**	**(0.07)**	0.07	(0.07)
GBP	-	-	-	-
JPY	**0.02**	**(0.02)**	-	-
SEK	-	-	-	-
SGD	-	-	-	-
USD	**0.02**	**(0.02)**	0.03	(0.03)
CNY	-	-	-	-

In the Group's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year / in future years.

c) Other price risk

Other price risk includes commodity price risk. The Group primarily imports coal, pet coke and gypsum. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and managed by entering into fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has no significant concentration of credit risk with any counterparty.

The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group.

Financial instruments that are subject to concentration of credit risk, principally consist of balances with banks, investments in liquid mutual funds (debt markets), trade receivables and loans. None of the financial instruments of the Group result in material concentration of credit risks.

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	2018 ₹ in crore	2017 ₹ in crore
Long-term loans to related party	**23.48**	25.80
Trade receivables	**28.83**	35.16

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Trade receivables consist of a large number of customers. The Group has a credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. The exposure in credit risk arising out of major customers is backed either by bank guarantee, letter of credit or security deposits.

Note 52 - Financial risk management objectives

The Group does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Group's net sales.

The ageing analysis of trade receivables:

Particulars	2018 ₹ in crore	2017 ₹ in crore
Up to 6 months	**1,235.13**	881.78
More than 6 months	**69.41**	49.75
Total	**1,304.54**	931.53
Movement in expected credit loss allowance of financial assets		
Balance at the beginning of the year	**35.16**	42.50
Add: provided during the year	**9.48**	5.81
Less : reversal of provisions	**13.66**	3.00
Less : amounts written off	**2.15**	10.15
Balance at the end of the year	**28.83**	35.16

Financial instruments and cash deposits

Credit risk on cash and cash equivalents, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial Institutions. Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Total non-current investments and investments in liquid mutual funds as on 31st December, 2018 are ₹ 133.23 crore and ₹ 953.50 crore (31st December, 2017 - ₹ 153.07 crore and ₹ 2,467.38 crore).

C) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

Details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on undiscounted contractual payments.

Particulars	Less Than 1 year ₹ in crore	More than 1 year ₹ in crore	Total ₹ in crore
As at 31.12.2018			
Borrowings (including current maturities of long term debts)	**-**	**39.68**	**39.68**
Trade payables	**3,006.20**	**-**	**3,006.20**
Other financial liabilities *	**1,391.81**	**1.18**	**1,392.99**
Total	**4,398.01**	**40.86**	**4,438.87**
Cash and cash equivalents	**6,093.11**	**-**	**6,093.11**
As at 31.12.2017			
Borrowings (including current maturities of long term debts)	-	24.12	24.12
Trade payables	2,816.01	-	2,816.01
Other financial liabilities	1,253.48	1.75	1,255.23
Total	4,069.49	25.87	4,095.36
Cash and cash equivalents	5,873.51	-	5,873.51

* Other financial liabilities includes deposits received from customers amounting to ₹ 904.37 crore (previous year - ₹ 821.40 crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these

deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

Note 53 - Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

On 28th March 2018, the Ministry of Corporate Affairs (MCA) notified the new revenue recognition standard, viz., Ind AS 115 Revenue from Contracts with Customers, applicable from the financial years beginning on or after 1st April, 2018. It is applicable to Company from the year beginning 1st January, 2019 . It replaces virtually all the existing revenue recognition requirements under Ind AS, including Ind AS 11 Construction Contracts, Ind AS 18 Revenue and the Guidance Note on Accounting for Real Estate Transactions.

It prescribes a five-step model to help entities decide the timing and amount of revenue recognition from contracts with customers. Ind AS 115 prescribes the 'control approach' for revenue recognition as against the 'risk and reward' model under Ind AS 18. The standard also contains extensive disclosure requirements.

Except for the disclosure requirements, the new standard will not materially impact the financial statements.

Note 54 - Financial information in respect of joint ventures and associates that are not individually material

a) **Interest in joint ventures**

The Group has interest in the following joint ventures which it considers to be individually immaterial. The Group's interest in the following joint ventures are accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures, based on their financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

The Group's share in each joint ventures is as follows

Name of the joint ventures	2018 %	2017 %
Direct Joint Venture		
Counto Microfine Products Private Limited	**50.00%**	50.00%
Joint Venture of a subsidiary		
Aakaash Manufacturing Company Private Limited	**40.00%**	40.00%

Aggregate information of joint ventures that are not individually material

Particulars	2018 ₹ in crore	2017 ₹ in crore
The Group's share of profit / (loss) from continuing operations	**5.29**	4.83
The Group's share of post tax profit (loss) from discontinued operations	**-**	-
The Group's share of other comprehensive income	**0.02**	(0.12)
The Group's share of total comprehensive income	**5.31**	4.84
The carrying amount of the investment	**39.09**	36.16

b) **Interest in associates**

The Group has interest in the following associates. The Group's interest in these associates is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associates, based on their financial statements, and reconciliation with the carrying amount of the investments in consolidated financial statements are set out below:

The Group's share in each associate is as follows:

Name of the associates	2018 %	2017 %
Associates of subsidiary		
Alcon Cement Company Private Limited	**40.00%**	40.00%
Asian Concretes and Cements Private Limited	**45.00%**	45.00%

Notes to Consolidated Financial Statements

Note 54 - Financial information in respect of joint ventures and associates that are not individually material

Aggregate information of associates that are not individually material

Particulars	2018 ₹ in crore	2017 ₹ in crore
The Group's share of profit / (loss) from continuing operations	**7.24**	7.94
The Group's share of post tax profit (loss) from discontinued operations	**-**	-
The Group's share of other comprehensive income	**(0.01)**	(0.01)
The Group's share of total comprehensive income	**7.23**	7.93
The carrying amount of the investment	**90.44**	83.61

Note 55 - Financial information in respect of material partly-owned subsidiary

The Group has concluded that ACC Limited is the only subsidiary with material non-controlling interest. Financial information of subsidiary that has material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interest :

Name of the Company	Principal place of business	As at 31.12.2018	As at 31.12.2017
ACC Limited	India	49.95%	49.95%

The summarised financial information of ACC Limited is provided below.

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Non-controlling interest in ACC Limited		
Total comprehensive income allocated to non-controlling interest	**792.07**	429.00
Accumulated balances of non-controlling interest	**5,227.37**	4,604.96
Summarised balance sheet of ACC Limited		
Non-current assets	**9,371.51**	9,190.82
Current assets	**6,684.44**	5,654.92
	16,055.95	14,845.74
Non-current liabilities	**814.86**	694.35
Current liabilities	**4,706.16**	4,792.66
Non-controlling interest of ACC Limited	**3.03**	2.88
	5,524.05	5,489.89
Equity attributable to owners of the parent	**10,531.90**	9,355.85
Dividends paid to non-controlling interest	**140.70**	159.45

Summarised statement of profit and loss

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Income	**14,943.34**	14,329.58
Expenses		
Cost of materials consumed	**2,368.17**	1,980.04
Purchase of stock-in-trade	**89.26**	0.84
Changes in inventories of finished goods, work-in progress and stock-in-trade	**(124.98)**	(14.90)
Excise duty	**-**	915.59
Employee benefits expense	**813.21**	821.36

Notes to Consolidated Financial Statements

Note 55 - Financial information in respect of material partly-owned subsidiary

Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
Finance costs	**87.77**	98.53
Depreciation and amortisation expense	**603.22**	643.62
Power and fuel	**3,000.83**	2,716.94
Freight and forwarding expense	**3,992.82**	3,433.75
Other expenses	**2,542.88**	2,434.67
Total expenses	**13,373.18**	13,030.44
Profit before share of profit of associates and joint ventures, exceptional items and tax expenses	**1,570.16**	1,299.14
Share of profit of associates	**10.32**	10.92
Profit before exceptional items and tax expenses	**1,580.48**	1,310.06
Exceptional items	**70.37**	-
Profit before tax	**1,510.11**	1,310.06
Tax expense	**(10.51)**	385.55
Profit for the year	**1,520.62**	924.51
Other Comprehensive Income	**(4.84)**	2.24
Total comprehensive income	**1,515.78**	926.75
Profit attributable to owners of the company	**1,520.47**	924.41
Profit attributable to non-controlling interest	**0.15**	0.10
Total comprehensive income attributable to owners of the company	**1,515.63**	926.65
Total comprehensive income attributable to non-controlling interest	**0.15**	0.10
Summarised cash flow statement of ACC Limited		
Cash flow from operating activities	**1,117.54**	1,554.45
Cash used in Investing activities	**(364.44)**	(379.56)
Cash used in financing activities	**(380.46)**	(425.78)
Net increase in cash and cash equivalents	**372.64**	749.11

Note 56 - Additional information as required by Paragraph 2 of the General Instructions for the preparation of consolidated financial statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity	Year	Share in net assets, (total assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income
Parent									
Ambuja Cements Limited	**2018**	**21,012.53**	**76.13%**	**1,487.01**	**50.02%**	**2.09**	**(80.08%)**	**1,489.10**	**50.14%**
	2017	19,973.21	79.01%	1,249.57	64.25%	3.41	63.27%	1,252.98	64.25%
Subsidiaries - Indian									
ACC Limited (Standalone)	**2018**	**10,527.66**	**38.14%**	**1,506.63**	**50.68%**	**(4.85)**	**185.82%**	**1,501.78**	**50.56%**
	2017	9,365.46	37.05%	915.45	47.07%	2.37	43.97%	917.82	47.06%
M.G.T. Cements Private Limited	**2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2017	-	-	-	-	-	-	-	-
Chemical Limes Mundwa Private Limited	**2018**	**0.49**	**-**	**(0.26)**	**(0.01%)**	**-**	**-**	**(0.26)**	**(0.01%)**
	2017	0.74	-	(0.22)	(0.01%)	-	-	(0.22)	(0.01%)
Dirk India Private Limited	**2018**	**(32.18)**	**(0.12%)**	**(0.91)**	**(0.03%)**	**0.17**	**(6.51%)**	**(0.74)**	**(0.02%)**
	2017	(31.44)	(0.12%)	(2.86)	(0.15%)	(0.05)	(0.93%)	(2.91)	(0.15%)

Note 56 - Additional information as required by Paragraph 2 of the General Instructions for the preparation of consolidated financial statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity	Year	Share in net assets, (total assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income
OneIndia BSC Private Limited	**2018**	**12.08**	**0.04%**	**3.19**	**0.11%**	**(0.03)**	**1.15%**	**3.16**	**0.11%**
	2017	8.93	0.04%	2.63	0.14%	(0.21)	(3.90%)	2.42	0.12%
Subsidiaries - Foreign									
Dang Cement Industries Private Limited	**2018**	**8.19**	**0.03%**	**(0.10)**	**-**	**-**	**-**	**(0.10)**	**-**
	2017	8.30	0.03%	(0.13)	(0.01%)	-	-	(0.13)	(0.01%)
Subsidiaries of subsidiary - Indian									
Bulk Cement Corporation (India) Limited	**2018**	**55.32**	**0.20%**	**2.77**	**0.09%**	**-**	**-**	**2.77**	**0.09%**
	2017	52.55	0.21%	1.90	0.10%	-	-	1.90	0.10%
ACC Mineral Resources Limited	**2018**	**74.72**	**0.27%**	**4.32**	**0.15%**	**-**	**-**	**4.32**	**0.15%**
	2017	70.40	0.28%	(11.5)	(0.59%)	-	-	(11.5)	(0.59%)
Lucky Minmat Limited	**2018**	**(1.51)**	**(0.01%)**	**(0.48)**	**(0.02%)**	**-**	**-**	**(0.48)**	**(0.02%)**
	2017	(1.03)	-	(0.47)	(0.02%)	-	-	(0.47)	(0.02%)
National Limestone Company Private Limited	**2018**	**0.45**	**-**	**(0.23)**	**(0.01%)**	**-**	**-**	**(0.23)**	**(0.01%)**
	2017	0.68	-	(0.20)	(0.01%)	-	-	(0.20)	(0.01%)
Singhania Minerals Private Limited	**2018**	**(0.40)**	**-**	**0.04**	**0.00%**	**-**	**-**	**0.04**	**0.00%**
	2017	(0.44)	-	(0.75)	(0.04%)	-	-	(0.75)	(0.04%)
Non-controlling interest in all subsidiaries	**2018**	**5,231.19**	**18.95%**	**795.29**	**26.75%**	**(2.44)**	**93.49%**	**792.85**	**26.69%**
	2017	4,607.96	18.23%	428.52	22.03%	1.07	19.85%	429.59	22.03%
Joint ventures - Indian (accounted for using equity method)									
Counto Microfine Products Private Limited	**2018**	**25.55**	**0.09%**	**3.79**	**0.13%**	**-**	**-**	**3.79**	**0.13%**
	2017	23.45	0.09%	3.04	0.16%	0.02	0.37%	3.06	0.16%
Aakaash Manufacturing Company Private Limited	**2018**	**13.54**	**0.05%**	**1.49**	**0.05%**	**0.03**	**(1.15%)**	**1.52**	**0.05%**
	2017	12.71	0.05%	1.72	0.09%	(0.02)	(0.37%)	1.70	0.09%
Associates of subsidiary - Indian (accounted for using equity method)									
Alcon Cement Company Private Limited	**2018**	**18.11**	**0.07%**	**0.32**	**0.01%**	**(0.01)**	**0.38%**	**0.31**	**0.01%**
	2017	18.20	0.07%	0.52	0.03%	(0.01)	(0.19%)	0.51	0.03%
Asian Concretes and Cements Private Limited	**2018**	**72.33**	**0.26%**	**6.92**	**0.23%**	**-**	**-**	**6.92**	**0.23%**
	2017	65.41	0.26%	7.42	0.38%	-	-	7.42	0.38%
Adjustments on consolidation	**2018**	**(9,416.40)**	**(34.12%)**	**(837.10)**	**(28.16%)**	**2.43**	**(93.10%)**	**(834.67)**	**(28.10%)**
	2017	(8,894.93)	(35.19%)	(649.76)	(33.41%)	(1.19)	(22.08%)	(650.95)	(33.38%)
Total equity	**2018**	**27,601.67**	**100.00%**	**2,972.69**	**100.00%**	**(2.61)**	**100.00%**	**2,970.08**	**100.00%**
	2017	25,280.16	100.00%	1,944.88	100.00%	5.39	100.00%	1,950.27	100.00%

Note - Above figures are before eliminating intra group transactions and intra group balances.

Notes to Consolidated Financial Statements

Note 57 - Capitalisation of expenditure

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
Capital work-in-progress includes :		
Opening balance	**20.56**	24.03
Add : Expenditure during construction for projects		
Employee benefits expenses	**12.98**	12.53
Depreciation and amortisation expense	**0.27**	0.15
Other expenses	**24.35**	9.16
	58.16	45.87
Less : Capitalised during the year	**25.01**	25.31
Balance included in capital work-in-progress	**33.15**	20.56

Note 58 - Goodwill on consolidation

Particulars	**As at 31.12.2018 ₹ in crore**	As at 31.12.2017 ₹ in crore
The carrying amount of goodwill has been allocated as follows*		
ACC Limited (including its subsidiaries)	**7,858.30**	7,858.30
Dirk India Private Limited	**19.29**	19.29
MGT Cements Private Limited	**2.72**	2.72
Chemical Limes Mundwa Private Limited	**1.18**	1.18
Total	**7,881.49**	7,881.49

* Carrying amount excludes goodwill recognised on account of amalgamation of Holcim (India) Private Limited ('HIPL') with the Company.

The recoverable amounts have been determined based on value in use calculations which uses cash flow projections which are based on key assumptions such as margins based on past practices and expectations of future changes in the market, expected growth rates based on past experience and industry growth forecasts and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments.

The projected cash flows are being developed using internal forecasts approved by the management and terminal growth rate thereafter.

The average long term sustainable growth rate used to project recurring operating profits is estimated to be 5%.

The discount rate used to arrive at projections ranges from 9% to 12%.

The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Based on the Group's assessment there is no impairment of goodwill.

Notes to Consolidated Financial Statements

Note 59 - Total outstanding dues of micro enterprises and small enterprises *

	Particulars	As at 31.12.2018 ₹ in crore	As at 31.12.2017 ₹ in crore
	Disclosure of Micro, Small and Medium Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Group regarding the status of the suppliers.		
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	**8.53**	5.57
	Interest	**0.01**	0.06
b)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
	Principal	**28.76**	21.61
	Interest	**0.26**	0.16
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	**0.03**	0.04
d)	The amount of interest accrued and remaining unpaid at the end of the year	**0.04**	0.06
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

* This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 60 - Exceptional items

Exceptional items for the year ended 31st December, 2018 represents charge for separation schemes for employees.

Note 61

ACC Mineral Resources Limited (AMRL), a wholly-owned subsidiary of a subsidiary, through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the order of the Supreme Court ruling that allocation of various coal blocks, including these, was arbitrary and illegal. The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder on 23rd March, 2015. AMRL has filed its claim to Ministry of Coal for compensation in respect of Bicharpur coal block pursuant to judgment issued by Delhi Hon'ble High Court dated 9th March, 2017. In respect of other three blocks, auctioning dates have not yet been announced.

Note 62

The Company and its subsidiary, ACC Limited, (ACC) were entitled to incentives from Government at their plants located in the states of Himachal Pradesh and Uttarakhand, in respect of Income tax assessment years 2006-07 to 2015-16. Both the companies contended that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income tax department had, initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). Both the companies had received one favourable order each from the assessing officer and one favourable appellate order from the CIT-A for the Company, against which the department has filed an appeal in Income Tax Tribunal (ITAT). Considering the unfavourable orders by the tax department, both the companies, up to 31st December, 2017, had classified the risk for these matters as probable and provided for the same.

During the current year and the period subsequent to the balance sheet date, the CIT-A decided the issue in favour of the Company and ACC for two more years, against which the department has filed appeals in the ITAT; except for one year where the window period of sixty days for filing of appeal is not yet over. Additionally, in the case of ACC, for one more assessment year, the department had accepted the contention that these incentives are capital receipts. However, the department has issued show cause notices for revisionary proceedings in respect of years where it is allowed for ACC.

Notes to Consolidated Financial Statements

Note 62

In view of the series of repeated favourable orders from the Income tax department received by both the companies in the current year, the matter has again been reviewed by both the companies and after considering the legal merits of the claims, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of appeals of both the companies by the CIT (A) during the current year, as mentioned above, both the Companies have reassessed the risk and concluded that the risk of an ultimate outflow of economic benefits for this matter is no longer probable

Accordingly, the Company and its subsidiary, ACC Limited, have reversed:

a) the existing provisions amounting to ₹ 872.64 crore, resulting in a reduction in current tax liabilities by ₹ 445.94 crore, increase in MAT credit entitlement (net) of ₹ 34.72 crore and an increase in non-current tax assets (Net) by ₹ 391.98 crore.

b) Interest provision related to above ₹ 35.87 crore.

Pending final legal closure of the matter, the said amounts have been reported under contingent liabilities in the consolidated financial statements.

Note 63

a) ACC Limited, a subsidiary of the Company, has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ₹ 20.63 Crore (Previous year - ₹ 22.84 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of cement so converted.

b) ACC Limited, a subsidiary of the Company, has arrangement with a joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale of such Ready mix concrete to customer of ₹ 87.91 Crore (Previous year - ₹ 83.61 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of Ready mix concrete.

Note 64

a) Excise duty includes excise duty paid on sale of goods and excise duty on captive consumption of clinker.

b) The Government of India introduced the Goods and Services tax (GST) with effect from 1st July, 2017. Consequently consolidated revenue for the previous year ended 31st December, 2017, includes excise duty up to 30th June, 2017.

Note 65

Figures below ₹ 50,000 have not been disclosed.

Note 66

Previous years' figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

See accompanying notes to the consolidated financial statements

For and on behalf of the Board

Suresh Joshi
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
Director
DIN - 00077715

Rajiv Gandhi
Company Secretary

Shailesh Haribhakti
Director
DIN - 00007347

Haigreve Khaitan
Director
DIN - 00005290

Omkar Goswami
Director
DIN - 00004258

Christof Hassig
Director
DIN - 01680305

Roland Kohler
Director
DIN - 08069722

Jan Jenisch
Director
DIN - 07957196

Ajay Kapur
Managing Director & Chief Executive Officer
DIN - 03096416

Mumbai, 18th February, 2019

AMBUJA CEMENTS LIMITED

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

Notice

NOTICE is hereby given that the THIRTY SIXTH ANNUAL GENERAL MEETING of the Members of the Company will be held on **Friday, 29th March, 2019** at 10.30 a.m. at the Registered Office of the Company at P.O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715, to transact the following business:-

Ordinary Business

1. **To receive, consider and adopt:**

   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st December, 2018, together with the Reports of the Directors and the Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st December, 2018 and the Report of the Auditors thereon.

2. To declare Dividend on equity shares for the financial year ended 31st December, 2018.

3. To appoint a Director in place of Mr. Jan Jenisch (DIN: 07957196), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Roland Kohler (DIN: 08069722), who retires by rotation and being eligible, offers himself for re-appointment.

5. To resolve not to fill the vacancy for the time being in the Board, caused by the retirement of Mr. B. L. Taparia, (DIN: 00016551) who retires by rotation at the conclusion of this meeting, but does not seek re-appointment.

Special Business

6. **Re-appointment of Mr. Nasser Munjee (DIN: 00010180) as an Independent Director**

   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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Nasser Munjee (DIN: 00010180), who holds office of Independent Director up to 31st March, 2019 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Munjee's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st April, 2019 upto 31st March, 2024."

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

7. **Re-appointment of Mr. Rajendra Chitale (DIN:00015986) as an Independent Director**

   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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Rajendra Chitale (DIN:00015986), who holds office of Independent Director up to 31st March, 2019 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Chitale's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st April, 2019 upto 31st March, 2024."

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

8. Re-appointment of Mr. Shailesh Haribhakti (DIN:0007347) as an Independent Director

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Shailesh Haribhakti (DIN:0007347), who holds office of Independent Director up to 31st March, 2019 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act, from a Member, signifying his intention to propose Mr. Haribhakti's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st April, 2019 upto 31st March, 2024."

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

9. Re-appointment of Dr. Omkar Goswami (DIN:00004258) as an Independent Director

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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Dr. Omkar Goswami (DIN:00004258), who holds office of Independent Director up to 31st March, 2019 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Dr. Goswami's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 1st April, 2019 upto 31st March, 2024."

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

10. Appointment of Ms. Then Hwee Tan (DIN: 08354724) as a Director

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

"RESOLVED THAT Ms. Then Hwee Tan (DIN: 08354724) who was appointed as an Additional Director of the Company w.e.f. 18th February, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Article of Association, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer herself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Ms. Then Hwee's candidature for the office of the Director, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation, with effect from the date of this Meeting."

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

11. Appointment of Mr. Mahendra Kumar Sharma (DIN:00327684) as a Director

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

"RESOLVED THAT pursuant provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Mahendra Kumar Sharma (DIN: 00327684), in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Sharma's candidature for the office of Director, be and is hereby appointed as a Non-executive, Non Independent Director, liable to retire by rotation, with effect from 1st April, 2019."

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

12. Appointment of Mr. Ranjit Shahani (DIN: 00103845) as a Director

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

"RESOLVED THAT pursuant provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Ranjit Shahani (DIN: 00103845), in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Shahani's candidature for the office of Director, be and is hereby appointed as a Non-executive, Non Independent Director, liable to retire by rotation, with effect from 1st April, 2019."

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

13. Appointment of Ms. Shikha Sharma (DIN:00043265) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. Shikha Sharma (DIN :00043265), who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Ms. Sharma's candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 1st April, 2019 upto 31st March, 2024."

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

14. Appointment of Mr. Praveen Kumar Molri (DIN:07810173) as a Director

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

"RESOLVED THAT pursuant the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Praveen Kumar Molri (DIN: 07810173), in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Molri's candidature for the office of the Director, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation, with effect from 1st April, 2019."

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

15. Appointment of Mr. Bimlendra Jha (DIN: 02170280) as a Director

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

"RESOLVED THAT Mr. Bimlendra Jha (DIN: 02170280) who was appointed as an Additional Director and "Managing Director & CEO designate" of the Company w.e.f. 18th February, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Article of Association of the Company and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Jha's candidature for the office of the Director, be and is hereby appointed as a Director of the Company, with effect from the date of this Meeting."

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

16. Appointment of Mr. Bimlendra Jha (DIN: 02170280) as the Managing Director & CEO

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded for the appointment of Mr. Bimlendra Jha (DIN: 02170280) as the Managing Director and Chief Executive Officer (CEO) of the Company, for a period of 5 (five) years with effect from 1st March, 2019 upto 29th February, 2024 upon the terms & conditions of appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Mr. Bimlendra Jha."

"RESOLVED FURTHER THAT the consent of the Company be and is hereby also accorded for the payment to Mr. Bimlendra Jha, the proportionate remuneration, perquisites and other benefits as "Managing Director & CEO Designate" for the period 18th February, 2019 upto 28th February, 2019 at the same rate as that of his remuneration as the Managing Director & CEO, as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

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

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

17. Ratification of Services availed from Mr. B.L. Taparia, Director (DIN : 00016551) and payment of Corporate Advisory Fee

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 188(1)(f) and other applicable provisions, if any of the Companies Act, 2013, read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as recommended and approved by the Audit Committee, Nomination & Remuneration Committee and the Board of Directors, consent of the Company be and is hereby accorded for ratification and approval of the Corporate Advisory Services availed from Mr. B. L. Taparia, (DIN: 00016551) Director (a "related party" holding office and a place of profit under Section 188(1)(f) of the Companies Act, 2013 for a period from 1st November, 2018 till the date of this Annual General Meeting at an Advisory Service fee of ₹5,50,000/- (Rupees Five Lakhs Fifty Thousand only) per month and other terms & conditions as set out in the Agreement dated 12th November, 2018 entered into between the Company with Mr. Taparia."

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

18. Ratification of remuneration to the Cost Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P.M. Nanabhoy & Co., Cost Accountants appointed as the Cost Auditors of the Company by the Board of Director for the conduct of the audit of the cost records of the Company for the financial year 2019 at a remuneration of ₹ 9,50,000/- (Rupees Nine Lakhs Fifty Thousand) plus reimbursement of the travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

By Order of the Board of Directors

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

Place : Mumbai
Date : 18th February, 2019

Notes:-

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the Special Business under Item nos. 6 to 18 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') entered with the Stock Exchanges and Secretarial Standard on General meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.

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

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

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

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

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

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

6. The Register of Members and the Share Transfer Books of the Company shall remain closed from **Friday, 1st March, 2019 to Friday, 8th March, 2019 (both days inclusive)** for payment of dividend.

7. **Dividend :** The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on 28th February, 2019 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 8th March, 2019.

8. Pursuant to Section 101 and 136 of the Act read with the relevant Rules made thereunder, Regulation 36 of Listing Regulations and SS-2, the copy of the Annual Report including Financial statements, Board's report

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

Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2018 will also be available on the Company's website www.ambujacement.com for their download.

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

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

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

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

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

13. **Submission of PAN :** The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/ transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, M/s. Link Intime India Pvt. Ltd.

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

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

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

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

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

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

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
Financial 2011 (Final)	09.02.2012	26.04.2019
Financial 2012 (Interim)	26.07.2012	28.08.2019
Financial 2012 (Final)	07.02.2013	06.05.2020
Financial 2013 (Interim)	24.07.2013	26.08.2020
Financial 2013 (Final)	06.02.2014	11.05.2021
Financial 2014 (Interim)	24.07.2014	22.08.2021
Financial 2014(Final)	18.02.2015	06.05.2022
Financial 2015(Interim)	27.07.2015	30.08.2022
Financial 2015 (Final)	10.02.2016	12.04.2023
Financial 2016 (Interim)	26.07.2016	29.08.2023
Financial 2016 (Final)	20.02.2017	29.04.2024
Financial 2017 (Interim)	24.07.2017	29.08.2024
Financial 2017 (Final)	20.02.2018	15.07.2025

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

Any member, who has not claimed final dividend in respect of the financial year ended 31st December, 2011 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, 2019 for final dividend of F.Y. 2011 and 30th June, 2019 for interim dividend of F.Y. 2012.

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

18. Compulsory transfer of Equity Shares to IEPF Account: Shares on which dividend remains unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

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

19. Route Map showing directions to reach to the venue of the 36th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings."

20. Voting:-

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely 20th March, 2019 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

I. Voting Through Electronic Means

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

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

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

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

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

6. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 20th March, 2019 may obtain the login details in the manner as mentioned below.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Monday, 25th March, 2019 at 10:00 a.m. and ends on Thursday, 28th March, 2019 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th March, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders/Member.

(iv) Now Enter your User ID

a) For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. Voting Through Ballot:-

The Company is providing the facility of ballot form in terms of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, 2015 to those shareholders, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice. The Ballot form and the instruction are enclosed along with the Annual Report. The last date for receiving the ballot form will be Saturday, 23rd March, 2019 at 5.00 p.m. Ballot forms received after this date shall not be considered.

III. Voting at AGM:-

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

EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 6 to 18 of the accompanying Notice dated 18th February, 2019.

In respect of item No.6 to 9

Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti, Dr. Omkar Goswami and Mr. Haigreve Khaitan were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Extra Ordinary General Meeting held on 11th September, 2014 to hold office upto 31st March, 2019 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

Mr. Haigreve Khaitan vide his letter dated 17th January, 2019 has conveyed to the Board that he does not seek re-appointment for the second term as "Independent Director" due to his personal commitments.

The Nomination & Remuneration Committee at its Meeting held on 18th February, 2019 after taking into account the performance evaluation of these Independent Directors, (except Mr. Haigreve Khaitan), during their first term of five years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from 1st April, 2019 upto 31st March, 2024 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami for their appointment to the office of Independent Directors.

Brief profile of the above Independent Directors are as under:

Mr. Nasser Munjee:-

- Age 66 yrs
- Holds a Master's degree in Economics from London School of Economics (LSE), U.K. His journey in creating financial institutions began with HDFC, which he joined at its inception in February 1978.

- In March 1993, he was inducted on the Board of HDFC as Executive Director until 1997.
- In 1997, he played a pivotal role in setting up IDFC and was its CEO in its formative years.
- He has a deep interest for rural development, housing finance, urban issues, specially the development of modern cities and humanitarian causes.
- He is also the Chairman of DCB Bank and of three other Aga Khan institutions in India.
- He was the President of the Bombay Chamber of Commerce and Industry – the city's oldest Chamber of Commerce and has served on numerous Government Task Forces on Housing and Urban Development.
- He has been awarded as the "Best Non-Executive Independent Director 2009 by Asian Centre for Corporate Governance (ACCG).
- He now serves as an Independent Director on the Board of HDFC, ABB India, Cummins India, Tata Motors, Tata Chemicals, Jaguar Land Rover etc.

Mr. Rajendra Chitale:-

- Age- 57 yrs
- Mr. Chitale, an eminent Chartered Accountant and a Law Graduate, is the Managing Partner of M/s. Chitale & Co, a leading boutique of international structuring, tax and of M/s M. P. Chitale & Co., a reputed chartered accountancy firm.
- He has served as a member of the Insurance Advisory Committee of the Insurance and Regulatory Development Authority of India, the Company Law Advisory Committee, Government of India, the Takeover Panel of the SEBI, the Advisory Committee on Regulations of the Competition Commission of India, and the Maharashtra Board for Restructuring of State Enterprises.
- 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.
- He is on the Board of several large corporates such as Hinduja Ventures Ltd., Reliance Capital Ltd., Reliance General Insurance Co. Ltd., etc.

Mr. Shailesh Haribhakti:-

- Age – 62 yrs
- Mr. Shailesh Haribhakti is a Chartered Accountant with over four decades of experience in developing and leading one of India's most respected and diversified Chartered Accountancy firm, M/s Haribhakti & Co. LLP.
- He is now pursuing the establishment of high quality auditing globally through a "not for profit" initiative.
- To provide universal dispersion of his knowledge & experience in corporate governance he has teamed up with the Mr. G N Bajpai (Ex. Chairman of SEBI & LIC) and Mr. Jangoo Dalal (Ex. MD of Cisco, DLink & Avaya) to manage Intuit Consulting Pvt. Ltd. which will provide digital enabled Governance & Compliance support to corporations globally.
- To serve the MSME community he has set up a verification, diligence and shared services firm know as New Haribhakti Business Services Group.
- Mr. Haribhakti is currently the Non-Executive Chairman of L&T Finance Holdings Limited, L&T Mutual Fund and Future Lifestyle Fashions Limited and serving as a Director on the Board of several large Corporates.

Dr. Omkar Goswami:-

- Age – 62 yrs
- Dr. Goswami, a professional economist, is a Master's in Economics from the Delhi School of Economics and D. Phil (Ph.D.) from Oxford University.
- He taught and researched economics for 20 years at various reputed universities in India and abroad.
- During a career spanning over three decades, he has been associated as a member or advisor to several Government committees and international organizations like the World Bank, the OECD, the IMF and the ADB.
- He also served as the Editor of Business India, one of India's prestigious business magazines and as the Chief Economist of the Confederation of Indian Industry.
- Dr. Goswami is the Founder and Executive Chairman of CERG Advisory Pvt. Ltd., which is engaged in corporate advisory and consulting services for companies in India and abroad. He also serves on the Board of several large corporations such as Bajaj Auto Ltd. Dr. Reddy's Laboratories Ltd. etc.

The above Directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami fulfils the conditions specified in the Act for their appointment as an Independent Directors.

The Company has also received from the above directors:-

(i) the consent in writing to act as Director and

(ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013.

(iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of the above Directors as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the

Company during normal business hours on any working day and the same has also been put up on the Company website www.ambujacement.com.

The other details including the shareholding of these Directors, whose appointment is proposed at item nos. 6 to 9 of the accompanying Notice, have been given in the attached annexure.

The Board recommend the Resolutions for re-appointment of the Independent Directors at item no. 6 to 9 as Special Resolutions of this notice for your approval.

Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami respectively, are concerned or interested in the resolutions of the accompanying notice relating to their own appointment.

None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolutions at item nos. 6 to 9.

In respect of item No. 10

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Ms. Then Hwee Tan (DIN: 08354724) as an Additional Director from 18th February, 2019.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 122 of the present Articles of Association of the Company, Ms. Then Hwee holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting. Ms. Then Hwee, being eligible has offered herself for appointment as a Director. The Company received a notice from Holderind Investment Ltd. (the Holding Company of the Company) under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Ms. Then Hwee Tan for the office of Director of the Company.

Ms. Then Hwee, aged 46 years, Singapore national is an MBA from Wichita State University, Kansas, USA and has attended Executive Development Programs at the Institute of Management Development. She is currently the Head of HR, Asia Pacific at Sika Asia Pacific Management, Singapore. At Sika, she is the member of regional leadership team responsible for developing HR strategies, talent development, succession management and HR aspects of merger & acquisitions. She has over twenty years of HR management experience in an international business environment across Asia Pacific including leadership development, talent & succession management, employee engagement, organizational development and compensation & benefits management. Apart from Sika, she has worked with reputed companies such as Lucent Technologies, USA and Philips Mobile Display Systems, Hong Kong.

The other details of Ms. Then Hwee Tan in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. The Board of Directors is of the opinion that Ms. Then Tan's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.10 of this Notice relating to her appointment as a Director, liable to retire by rotation as Ordinary Resolution for your approval.

Except, Ms. Then Hwee Tan, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No.10 of the Notice.

In respect of item No. 11 and 12

The Company has received a notice from Holderind Investment Ltd. (the Holding Company of the Company) under Section 160 of the Companies Act, 2013, signifying their intention to propose the candidature of Mr. Mahendra Kumar Sharma and Mr. Ranjit Shahani for the office of Director of the Company. The brief profile of these Directors is given below:-

Mr. Mahendra Kumar Sharma, aged 71 years is an Arts & Law Graduate from University of Lucknow and a Post Graduate Diploma holder in Personnel Management and Labour Laws. He started his career with Hindustan Unilever Ltd. in 1974 and after working in different functions such as corporate restructuring, M&A etc. he retired in 2007 as its Vice Chairman with the responsibility of HR, Legal & Secretarial, Corporate Affairs, Real Estate etc. He has served as member of the Corporate Law Committee to comprehensively redraft the Companies Act and as a member of Naresh Chandra Committee on Corporate Governance. He is on the Board of several companies viz; United Spirits Ltd., Asian Paints Ltd., Wipro Ltd., etc.

Mr. Ranjit Shahani, aged 68 years is a Mechanical Engineer from IIT Kanpur and MBA from Jamnalal Bajaj Institute of Management Studies. He started his career with Imperial Chemical Industries (ICI) in India and then served as General Manager with ICI, Zeneca in UK overseeing Asia Pacific and Latin America operations for petrochemicals and plastics division. He was the CEO of Roche Products and on the Board of Novartis India Ltd. from 2002 to 2018. He is currently the President of the Swiss Indian Chamber of Commerce and is on the Board of Hikal Ltd., Novartis Comprehensive Leprosy Care Association etc.

The other details of Mr. Sharma and Mr. Shahani in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. The Nomination & Remuneration Committee and the Board of Directors is of the opinion that their vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No.11 and 12 of this Notice relating to their appointment as a Director, liable to retire by rotation, with effect from 1st April, 2019, for your approval.

Except Mr. Mahendra Kumar Sharma and Mr. Ranjit Shahani, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolutions of the accompanying notice relating to their own appointment.

In respect of item No. 13

The Company received a notice from a Member under Section 160 of the Companies Act, 2013, signifying his intention to propose the candidature of Ms. Shikha Sharma (DIN: 00043265) for the office of Independent Director of the Company.

Ms. Sharma, aged 60 years is a B.A. (Hons.) in Economics, PGD in Software Technology and MBA from IIM Ahmedabad. She was the MD & CEO of Axis Bank Ltd. from 2009 to 2018. She began her career with ICICI Bank in 1980. At ICICI, she was instrumental in setting up ICICI Securities besides setting up various group business for ICICI including investment banking and retail finance. Before moving to Axis Bank, she was the MD & CEO of ICICI Prudential Life Insurance Co. Ltd. She was a Member of RBI's Technical Advisory Committee and chairs CII National Committee on Banking. She has featured in Fortune's Top 50 most powerful Women in business outside US and has several awards & recognition to her credit.

The other details of Ms. Sharma in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Ms. Sharma is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Ms. Shikha Sharma fulfils the conditions specified in the Act for her appointment as an Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Ms. Shikha Sharma's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.13 of this Notice relating to the appointment of Ms. Shikha Sharma as an "Independent Director", not liable to retire by rotation for a period of five consecutive years w.e.f. 1st April, 2019 upto 31st March, 2024, for the your approval.

Ms. Sharma has given a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations.

The Company has also received:-

(i) the consent in writing to act as Director and

(ii) intimation that she is not disqualified under section 164(2) of the Companies Act, 2013.

(iii) a declaration to the effect that she is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of Ms. Sharma as Independent Director setting out the terms & conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website www.ambujacement.com.

The other details of Ms. Sharma, whose appointment is proposed at item nos. 13 of the accompanying Notice, have been given in the attached annexure.

Except, Ms. Sharma, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No. 13 of the Notice.

In respect of item No. 14

The Company has received a notice from Life Insurance Corporation of India (LIC) under Section 160 of the Companies Act, 2013 signifying their intention to propose the candidature of Mr. Praveen Kumar Molri (DIN: 07810173) for the office of Director of the Company.

Mr. Molri, aged 59 years is a Commerce Graduate and a Chartered Accountant. He is currently the Executive Director (Investment Operations) at LIC wherein he is heading Equity, Debt, Treasury, Pension and Group Scheme and ULIP Portfolios. He joined LIC in 1985 as Direct Recruit and has worked in different capacities including Divisional Manager and Chief Risk Officer before being elevated to the current position.

The other details of Mr. Molri in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Molri's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.14 of this Notice relating to the appointment of Mr. Molri as a Director, liable to retire by rotation, from 1st April, 2019, for your approval.

Except, Mr. Molri, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No.14 of the Notice.

In respect of item No. 15 & 16

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Bimlendra Jha (DIN: 02170280) as an Additional Director of the Company under Section 161(1) of the Act and Article 122 of the Articles of Association, with effect from 18th February, 2019. He has also been nominated as "Managing Director & CEO designate" from that date. In terms of Section 161(1) of the Act, Mr. Bimlendra Jha holds office only upto the date of the forthcoming AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Jha's appointment as a Director.

The Board has also appointed Mr. Jha as the Managing Director & CEO of the Company for a period of five years from 1st March, 2019 upto 29th February, 2024, upon the terms & conditions hereinafter indicated, subject to approval of the Members.

Mr. Bimlendra Jha, aged 51 years, is a B. Tech in Ceramic Engineering from IIT Varanasi and a Post Graduate Diploma in Business Management, Marketing and Finance from XLRI Jamshedpur. Prior to joining the Company, he was associated with Tata Steel Ltd. for nearly three decades and over the past six years, he has held multiple leadership roles including CEO Tata Steel UK and Executive Director on the Board of Tata Steel Europe, looking after operations in UK, Sweden and Canada. He was actively involved in Strategic Portfolio restructuring, Supply Chain Transformation and turning around the steel businesses of Tata Steel in the UK in a very challenging environment.

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

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

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

1. Period of Appointment

   Five years commencing from 1st March, 2019, the date of appointment.

2 A. Remuneration:

   In consideration of the performance of his duties, the Company shall pay to Mr. Bimlendra Jha the fixed gross remuneration (other than the PF, Superannuation and Gratuity) of ₹4,55,00,000/- (Rupees Four Crore Fifty Five Lacs only) per annum with such increments as may be approved by the Board of Directors (which includes any Committee thereof) from time to time. The gross remuneration shall be categorized as follows:-

   (a) Basic Salary:

   ₹2,35,00,000/- (Rupees Two Crore Thirty Five Lacs only) per annum, Rs.19,58,000/- (Rupees Nineteen Lacs Fifty Eight Thousand only) per month.

   The increment as and when approved by the Board shall be merit based and will take into account the performance as MD & CEO as well as that of the Company.

   (b) Perquisites & Allowances:

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

   In line with the above structure, Mr. Bimlendra Jha will decide his remuneration components other than the Basic Salary, within the overall fixed gross remuneration of 4,55,00,000/- per annum as follows:-

   Mr. Bimlendra Jha would be paid ₹2,20,00,000/- (Rupees Two Crore Twenty Lacs Only) per annum on account of other allowances & perquisites like House Rent Allowance (HRA), Soft Furnishing Allowance, Leave Travel Concession (LTC), Medical Reimbursement, Special Allowance etc. as may be decided by him following the flexible allowance structure of the Company.

   In addition to the above, Mr. Bimlendra Jha would be paid/entitled for the following perquisites:-

   (i) Club Membership

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

   (ii) Mediclaim and Personal Accident Insurance

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

   (iii) Contribution to Provident Fund

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

   (iv) Gratuity

   Gratuity at the rate of 4.84% of basic salary earned for each completed year of service.

   (v) Superannuation Fund

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

   (vi) Leave

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

(vii) Other perquisites

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

Explanation:

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

(c) Performance Incentive:

Performance Incentive of such amount, not exceeding 100% of the earned fixed gross remuneration (and 60% of fixed gross remuneration at target, subject to performance conditions) for each Corporate Financial year or part thereof as may be decided by the Board of Directors (which includes any committee thereof).

(d) LafargeHolcim Performance Shares:

Mr. Bimlendra Jha shall be entitled for the grant of LafargeHolcim Performance Shares as per the LafargeHolcim Group guidelines and as may be approved by the LafargeHolcim Ltd.'s Executive Committee / Board of Directors from time to time. The cost of such shares shall be borne by LafargeHolcim Ltd.

(e) Onetime Joining Bonus:

Mr. Bimlendra Jha will be paid onetime joining bonus of ₹2,00,00,000/- (Rupees Two Crores only), subject to deduction of applicable taxes, after one month from joining the Company. The amount of onetime joining bonus will be refunded in full to the Company, in case this Agreement is terminated by Mr. Bimlendra Jha within a period of two years from the date of joining the Company.

(f) Amenities:

(i) Conveyance facilities

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

(ii) Telephone internet and other communication facilities

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

B. Relocation:

Flights

The Company shall provide one-way business class airfare from London to Mumbai at the start of the assignment to the MD & CEO and accompanying family members.

Shipping of Household Goods

The Company shall bear reasonable shipping and insurance costs for household goods and furniture from London to Mumbai as per the policy.

Temporary Accommodation

If necessary, temporary living (furnished apartment or hotel) will be organized and paid for by the Company until permanent accommodation is ready to be used and shipment of household goods has arrived.

C. Overall remuneration:

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

D. Minimum remuneration:

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

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

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

5. Powers & Responsibilities as the Managing Director and CEO

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

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

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

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

e. MD & CEO shall devote the whole of his time, attention and abilities to manage the business of the Company and shall use his best endeavour to promote its interest and welfare.

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

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

8. (i) The appointment Agreement with MD & CEO may be terminated either by the Company or by him by giving 6 (six) months' notice in writing at the end of a calendar month to the other party or the payment of salary in lieu thereof.

(ii) The Agreement may also be terminated upon notice in writing to the other party:

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

(b) in accordance with applicable law.

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

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

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

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

In order to ensure smooth transition from the outgoing MD & CEO, Mr. Ajay Kapur, apart from being appointed as an Additional Director, Mr. Bimlendra Jha has also been nominated as "Managing Director & Chief Executive Officer Designate" from 18th February, 2019 upto 28th February, 2019 and he shall be paid the proportionate remuneration, perquisites and benefits for this period, at the same rate as will be paid to him as the Managing Director & Chief Executive Officer w.e.f. 1st March, 2019.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mr. Bimlendra Jha's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolutions at Item No.15 and 16 of this Notice relating to his appointment as a

Director and as the MD & CEO of the Company for a period of five years w.e.f. 1st March, 2019 upto 29th February, 2024 as an Ordinary Resolutions for your approval.

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

Except, Mr. Bimlendra Jha, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No. 15 and 16 of the Notice. Mr. Jha is not related to any other Director or KMP of the Company.

In respect of item No. 17

Mr. B.L. Taparia, Director apart from holding the office of Non-Executive Director, at the request of the Company and as approved by the Shareholders, has also been acting as Advisor – Corporate Services from 1st November, 2012 to 31st October, 2015, at an advisory service fee of ₹11 lacs per month and the same was extended on yearly basis at the revised monthly advisory service fee of ₹12 lacs from 1st November, 2015. In view of the payment of monthly advisory service fee, Mr. Taparia is not paid any annual commission which is paid to other Non-Executive Directors. The last extended period of contract expired on 31st October, 2018.

With a view to continue getting benefit of the rich experience of Mr. Taparia on the lighter engagement level, the Board at its meeting held on 23rd October, 2018, based on the recommendation of the Nomination & Remuneration Committee and the approval of the Audit Committee, approved the extension of the Advisory Service Contract for one year i.e. from 1st November, 2018 till 31st October, 2019 on monthly remuneration of ₹ 5.50 lacs (all inclusive), subject to the approval of the Shareholders, and executed the revised Advisory Service Agreement dated 12th November, 2018. Further, in terms of Section 188(1)(f) of the Companies Act, 2013, the appointment of a Director or a relative of director to an Office or Place of Profit in a company drawing a monthly remuneration exceeding ₹ 2.5 Lakh also requires approval of the Shareholders of the company.

The revised Agreement dated 12th November, 2018 is available for inspection at the Registered Office of the Company during the business hours on all working days of the Company between 10.00 a.m. and 4.00 p.m. upto the date of the Annual General Meeting.

Meanwhile, Mr. Taparia, who was due to retire by rotation at this Annual General Meeting, he has sought not to be re-appointed as a Director at this Meeting. Hence, the Board recommends the ratification of the appointment of Mr. Taparia as Advisor – Corporate Services and payment of the monthly fee from 1st November, 2018 till the date of this Annual General Meeting.

The Board recommends the Ordinary Resolution at item no. 17 of this Notice for your approval.

Except Mr. B. L. Taparia, none of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

In respect of item No. 18

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

On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of M/s. P.M. Nanabhoy & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2019 at a remuneration of 9,50,000/- per annum plus reimbursement of all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is required to be ratified subsequently by the Members, in accordance with the provisions of the Act and Rule 14 of the Rules.

Accordingly, The Board recommends the Ordinary Resolution at item no. 18 of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 18 of the Notice.

By Order of the Board of Directors

Rajiv Gandhi

Company Secretary

(Membership No. A11263)

Place: Mumbai

Date: 18th February, 2019

ANNEXURE TO ITEMS. 3 & 4 and 6 to 16 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Jan Jenisch	Mr. Roland Kohler	Ms.Then Hwee Tan	Mr. Bimlendra Jha
Date of Birth	2nd September, 1966	13th December, 1953	27th December, 1972	8th September, 1967
Nationality	German	Swiss	Singapore	Indian
Date of Appointment on the Board	24th October, 2017	20th February, 2018	18th February, 2019	18th February, 2019
Qualifications	MBA from University of Fribourg, Switzerland	MBA from University of Zurich	Master of Business Administration, USA	B. Tech in Ceramic Engineering from IIT Varanasi, Post Graduate Diploma in Business Management, Marketing and Finance from XLRI Jamshedpur.
Expertise in specific functional area	Operations and Management	Operations, Marketing, Mergers & Acquisitions	Human Resource, Talent Development	Strategic portfolio restructuring, Supply chain transformation, market development, sales and brand management, and innovation in construction practices.
Number of shares held in the Company	Nil	Nil	Nil	Nil
List of the directorships held in other companies*	ACC Ltd.	Nil	Nil	Nil
Number of Board Meetings attended during the year 2018	One of Seven	Three of Six	Not applicable	Not applicable
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Chairman Nil Member Nil	Nil	Nil	Nil
Relationships between Directors inter-se	None	None	None	None
Remuneration details (Including Sitting Fees & Commission)	₹ 20.50 Lakhs	₹ 18.76 Lakhs	Not applicable	Not applicable

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

Details of Directors Seeking re-appointment as Independent Directors

Particulars	Mr. Nasser Mukhtar Munjee	Mr. Rajendra Prabhakar Chitale	Mr. Shailesh Vishnubhai Haribhakti	Dr. Omkar Goswami
Date of Birth	18th November, 1952	10th April, 1961	12th March, 1956	29th August, 1956
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	August 16, 2001	July 4, 2002	May 3, 2006	July 20, 2006
Qualifications	M. Sc (Economics)	B.Com, LL.B, F.C.A	Chartered Accountant, Cost Accountant, Certified Internal Auditor.	Master's in Economics, D. Phil (Ph. D.) from Oxford University.
Expertise in specific functional areas	Banking and Finance, Infrastructure Development.	Rich Experience in the field of Audit, Taxation and Finance.	Deeply involved in Auditing, Risk Advisory Services and Tax Services.	Rich Experience in the field of Economics
Number of shares held in the Company	Nil	Nil	Nil	Nil
List of Directorships held in other companies*	1. ABB India Ltd. 2. Cummins India Ltd. 3. DCB Bank Ltd. 4. Tata Chemicals Ltd. 5. Tata Motors Ltd. 6. Hdfc Ltd. 7. Tata Motors Finance Ltd.	1. Hinduja Ventures Ltd. 2. Hinduja Global Solutions Ltd. 3. JM Financial Asset Management Ltd. 4. Reliance Capital Ltd. 5. Reliance General Insurance Co.Ltd. 6. Reliance Nippon Life Insurance Co.Ltd. 7. The Clearing Corporation of India Ltd.	1. Torrent Pharmaceuticals Ltd. 2. L&T Finance Holdings Ltd. 3. Future Lifestyle Fashions Ltd. 4. Blue Star Ltd. 5. Mahindra Life Space Developers Ltd. 6. NSDL e-Governance Infrastructure Ltd. 7. ACC Ltd. 8. L&T Mutual Fund Trustee Ltd. 9. Bennett Coleman & Company Ltd.	1. Bajaj Finance Ltd. 2. CG Power and industrial Solutions Ltd. 3. Dr. Reddy's Laboratories Ltd. 4. Godrej Consumer Products Ltd. 5. Max Healthcare Institute Ltd. 6. Hindustan Construction Ltd. 7. Bajaj Auto Ltd.
Number of Board Meetings attended during the FY 2018	Six of Seven	Seven of Seven	Six of Seven	Six of Seven
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Audit Committee Chairman i) ABB India Ltd. ii) HDFC Ltd. iii) Tata Chemicals Ltd. iv) Tata Motors Ltd. v) Cummins Ltd.	Audit Committee Chairman i) Reliance Capital Ltd. ii) Reliance General Insurance Co.Ltd. iii) The Clearing Corporation of India Ltd. Audit Committee Member i) Hinduja Ventures Ltd. ii) Hinduja Global Solutions Ltd. iii) JM Financial Asset Management Ltd. iv) Reliance Nippon Life Insurance Co. Ltd.	Audit Committee Chairman i) Torrent Pharmaceuticals Ltd. ii) L&T Finance Holdings Ltd. iii) Blue Star Ltd. iv) NSDL e-Governance Infrastructure Ltd. v) Bennett Coleman & Company Ltd. Audit Committee Member i) Torrent Pharmaceuticals Ltd. ii) Future Lifestyle Fashions Ltd. iii) Mahindra Life Space Developers Ltd. iv) L&T Mutual Fund Trustee Ltd. Stakeholder Committee Member i) ACC Ltd.	Audit Committee Member i) Dr. Reddy's Laboratories Ltd. ii) CG Power & Industrial Solutions Ltd. iii) Godrej Consumer Products Ltd. iv) Bajaj Finance Limited v) Max Healthcare Institute Ltd. vi) Hindustan Construction Ltd.
Relationships between Directors inter-se	None	None	None	None
Remuneration details (Including Sitting Fees & Commission)	₹ 44.90 Lakhs	₹ 56.70 Lakhs	₹ 42.60 Lakhs	₹ 44.30 Lakhs

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

Name of the Director	Mr. M. K. Sharma	Mr. Ranjit Shahani	Ms.Shikha Sharma	Mr. Praveen Kumar Molri
Date of Birth	4th May, 1947	18th August, 1949	19th November, 1958	19th October, 1959
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	1st April, 2019	1st April, 2019	1st April, 2019	1st April, 2019
Qualifications	B.A., LLB (Lucknow University PGDPM & Diploma in law (ILI, Delhi)	Mechinical Engineer from IIT Kanpur, MBA- Jamnalal Bajaj Institute of Management Studies	MBA (IIM,Ahmedabad) PGD in Software Technology(NCST)	Chartered Accountant
Expertise in specific functional area	Legal, Compliance, M & A	Operations, Management	Banking, Insurance, Financial Services	Insurance, Investments
Number of shares held in the Company	Nil	Nil	Nil	Nil
List of the directorships held in other companies*	i) Wipro Ltd. ii) Asian Paints Ltd. iii) United Spirits Ltd.	i) Novartis India Limited ii) Hikal Ltd.	i) Dr. Reddy's Laboratories Ltd.	Nil
Number of Board Meetings attended during the year	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Chairman- i) Audit Committee- Asian Paints Ltd. ii) Administrative & Shareholders's Committee- Wipro Ltd. Member – i) Audit Committee- United Spirits Ltd. ii) Audit Committee- Wipro Ltd.	Nil	Nil	Nil
Relationships between Directors inter-se	None	None	None	None
Remuneration details	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

Route Map - AGM

1. From Diu - Airport to Ambujanagar

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

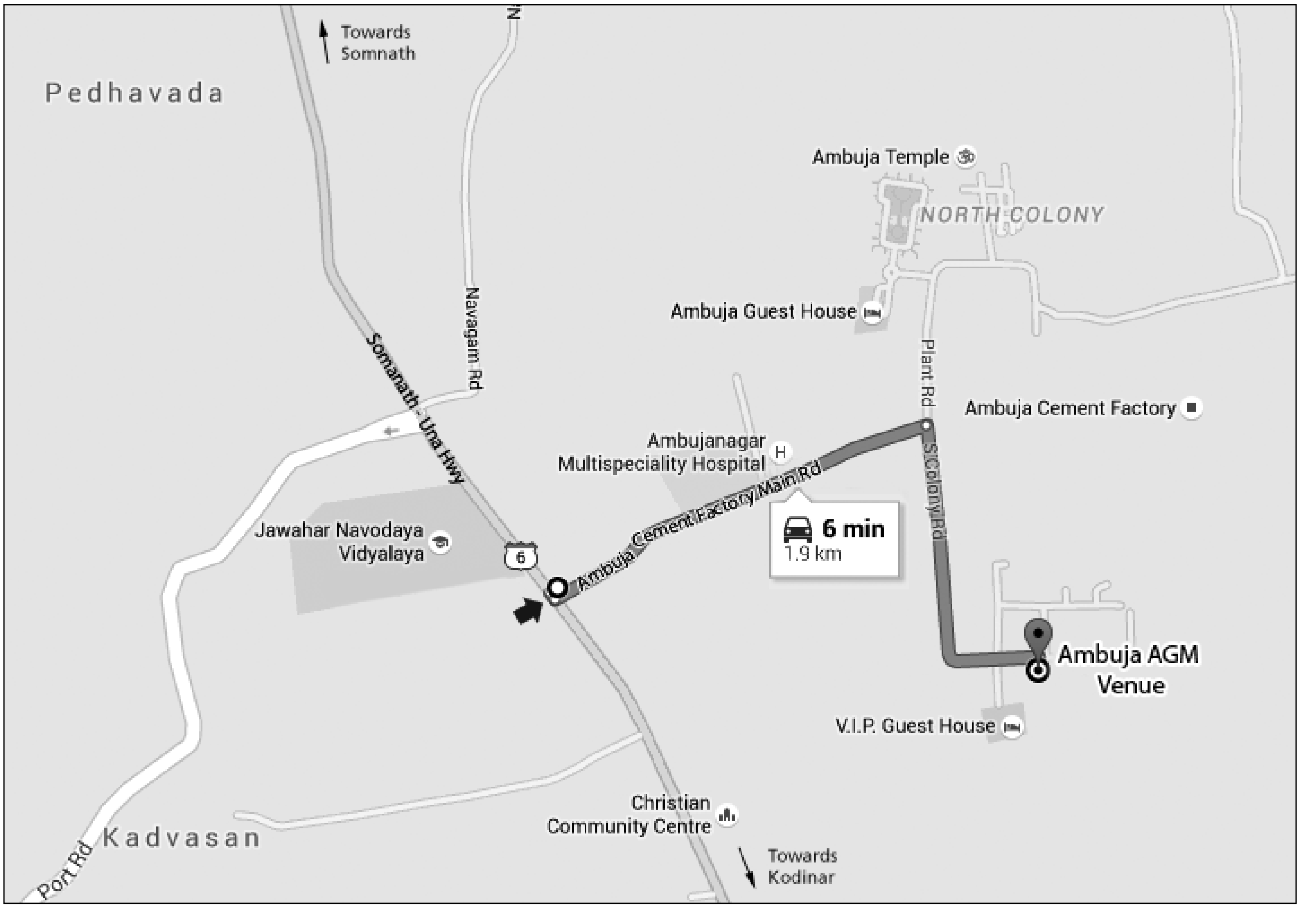
2. Veraval Railway station to Ambujanagar

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

3. Kodinar to Ambujanagar

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

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



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

UPDATION OF SHAREHOLDER INFORMATION

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

I) General Information

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

* Self attested copy of the documents enclosed

II) Bank Details

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

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

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

Place :

Date : Signature of Sole/First Holder

Ambuja Cement

AMBUJA CEMENTS LIMITED

CIN L26942GJ1981PLC004717

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

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

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

ATTENDANCE SLIP

(To be presented at the entrance)

Annual General Meeting of the Company held on Friday, the 29th March, 2019 at 10.30 a.m.

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

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

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

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

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

TEAR HERE

TEAR HERE

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PROXY FORM

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

Name of the Member(s) :...

Registered address : ....

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

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

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

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

or failing him

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

or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 29th June, 2019 at 10.30 a.m. at P. O. Ambujanagar, Taluka: Kodinar, District: Gir Somnath, Gujarat - 362 715 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. (☐)

1		10	
2		11	
3		12	
4		13	
5		14	
6		15	
7		16	
8		17	
9		18	

Signed this .... day of 2019

Affix
₹ 1
Revenue
Stamp

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

NOTES:

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

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

Ambuja Cement

Head office:
Elegant Business Park,
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

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