Ambuja Cements Limited

Annual Report 2017

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:

Create Value for All.

Delighted Customers

Inspired Employees

Enlightened Partners

Energised Society

Loyal Shareholders

Healthy Environment

Corporate Information

Board of Directors

Mr. N.S. Sekhsaria
Chairman & Principal Founder

Mr. Jan Jenisch
Vice Chairman (w.e.f. 24.10.2017)

Mr. Nasser Munjee

Mr. Rajendra P. Chitale

Mr. Shailesh Haribhakti

Dr. Omkar Goswami

Mr. Haigreve Khaitan

Ms. Usha Sangwan

Mr. Christof Hassig

Mr. Martin Kriegner

Mr. Roland Kolher
(w.e.f. 20.02.2018)

Mr. B. L. Taparia

Mr. Ajay Kapur
Managing Director &
Chief Executive Officer

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. Sanjay Gupta
Chief Corporate Officer

Ms. Meenakshi Narain
Chief HR Officer

Mr. Deepak Mehra
Chief Marketing Officer

Mr. Rajeev Mehta
Chief Logistics 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.

Registered Office

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

Committees of 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 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

Chairman's Letter

Dear Shareholders,

Last year the Government of India undertook path-breaking reforms to improve the economy and its macroeconomic management. The implementation of GST and the introduction of the Fiscal Responsibility and Budget Management Act underlined the Government's desire to strengthen India's institutional framework.

With the GDP increasing to 7.1 per cent in 2016-17, India emerged as the fastest-growing major economy in the world (as per the Central Statistics Organisation and International Monetary Fund). Growth sentiments during the year were further lifted by the marginal reduction in the repo rate by the RBI, as well as upgradation of India's government bond rating. The improvement in the economic scenario brought with it immense potential for the cement industry in infrastructure, commercial construction and the housing sector.

Despite the market challenges, and the initial hiccup of GST implementation, the cement industry grew at 6% in 2017. This growth was aided by favourable demand, supply-side developments, improvements in product range, higher investment in infrastructure and Government sponsored affordable housing. Demand from real estate and individual housing sector, which forms approximately 55% of total cement demand, remained subdued throughout the year.

The company experienced significant pressure on input cost increases during the year. This was largely external and affected many industries. Crude prices, raw material costs, and fuel costs saw a significant rise in price. The cost of raw materials increased by 8% over the previous year on a per tonne basis. This was largely due to an increase in the cost of fly ash, which was in short supply and had to be sourced from further afield. In order to limit the impact of these cost increases, the company focussed significantly on improving efficiency, optimising the fuel mix, employing strategic sourcing practices and a judicious change in our gypsum mix.

Last year, Ambuja Cement launched two value added products that I am proud to announce were developed in-house with the help of the LafargeHolcim Group. Ambuja Compocem reiterates our strong commitment to create products that help in sustainable construction. While Ambuja Plus Cool Wall is a premium product for Individual Home Builders - a segment that comprises the largest percentage of construction demand annually.

In the face of all these challenges, the *'I Can'* spirit of our people shone through. Let me share with you the result of our people's efforts – the company's performance highlights for the year ended 31st December, 2017, as compared to the previous year:

- Sales by volume increased to 23.0 million tonnes.
- Absolute EBITDA was higher by 14.66% to ₹1,940 crores.
- Net Profit after tax was higher by 34.12% to ₹1,250 crores.

Over the years, our teams have worked tirelessly and made significant improvements to build an outstanding health and safety (H&S) culture and performance at Ambuja. The goal is to create a 'Zero Harm' environment across the Company, with a focus on preventing offsite and onsite fatalities. Road and warehouse safety also continues to be a huge H&S challenge for us. To address it, we have set up Driver Management Centers (DMCs) at all our 16 manufacturing plants. These DMCs are counselling centres for changing driver behaviour and improving skills.

This year we also celebrated the silver jubilee of The Ambuja Cement Foundation. A journey that started with humble beginnings and a desire to invest in our community's growth, now has many milestones and success stories to its credit. For over 25 years, our people have worked with passion to improve the social and economic wellbeing of our communities. Today Corporate Social Responsibility is not just a matter of compliance for us. Our real engagement is a commitment to building the nation and strengthening it from the ground up.

Our unique bulk shipping network is also entering its 25th year. Ambuja was the first company in India to introduce this innovative method of supplying cement from our plant at Ambujanagar, to as far away as Surat, Mumbai, Mangalore and Cochin, using a dedicated fleet of ships designed especially for cement transportation. Coastal sea transport is one of Ambuja's finest sustainability initiatives. No other program has helped us to reduce costs and our carbon footprint more significantly.

At Ambuja we are committed to our long-term objective of being the most sustainable cement company in the industry. Our teams have consistently worked beyond their comfort zone to improve our sustainability performance and achieve this vision.

It gives me immense pleasure to share with you that our sustainability performance has been recognised by Dow Jones Sustainability Index (Emerging Markets Index) in the category of Construction Materials. In 2017, our score improved significantly, placing us 7th in the global ranking in this category.

For the first time, Ambuja Cement is releasing an integrated report that shows our commitment towards all our stakeholders. These are collectively placed in a special section – the six capitals of integrated reporting - which include financial, social and relationship, manufacturing, human, natural and intellectual performance. In this way, we can highlight the value we create for each of our stakeholders.

With warm regards,

N-S. Sekhsaria

N. S. Sekhsaria
Chairman & Principal Founder
4th May, 2018

Financial Highlights of 5 Years

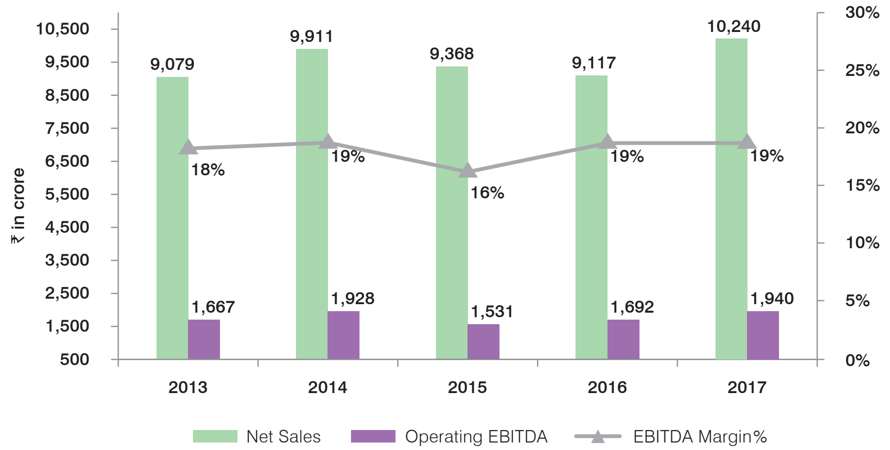
Amount in ₹ crore

	2017 (1)	2016 (1)	2015 (2)	2014 (2)	2013 (2)
INCOME STATEMENT					
Net Sales	10,240	9,117	9,368	9,911	9,079
Operating EBITDA	1,940	1,692	1,531	1,928	1,667
Profit Before Tax	1,619	1,279	1,172	1,783	1,514
Profit After Tax	1,250	932	808	1,496	1,295
BALANCE SHEET					
Net Worth	19,973	19,356	10,307	10,103	9,486
Borrowings	24	16	23	29	29
Capital Employed	20,499	19,920	10,946	10,763	10,121
Fixed Assets - Net Block	5,693	5,923	6,092	6,227	6,063
Current Assets	5,492	4,214	6,549	5,995	5,537
Current Liabilities	4,117	3,431	3,226	3,138	2,843
CASH FLOW STATEMENT					
Net Cash Generated from Operations	1,854	1,416	1,553	1,675	1,287
Cash and Cash Equivalents	3,311	2,396	5,032	4,459	3,961
SIGNIFICANT RATIOS					
Operating EBITDA / Net Sales	19%	19%	16%	19%	18%
Return on Capital Employed (EBIT/Avg. CE)	8%	8%	12%	18%	16%
Price Earning Ratio#	43.08	43.93	39.02	23.65	21.79
Book Value Per Share (₹)	100.65	97.52	66.49	65.29	61.46
Basic Earning Per Share (₹)	6.29	4.69	5.21	9.67	8.39
Dividend Per Share (₹)	3.60	2.80	2.80	5.00	3.60
Dividend Payout Ratio	65%	76%	65%	62%	50%
Current Ratio	1.33	1.23	2.03	1.91	1.95
OPERATIONS					
Cement Capacity - Million Tonnes	29.65	29.65	29.65	28.75	27.95
Cement Production - Million Tonnes	22.98	21.19	21.54	21.43	20.96

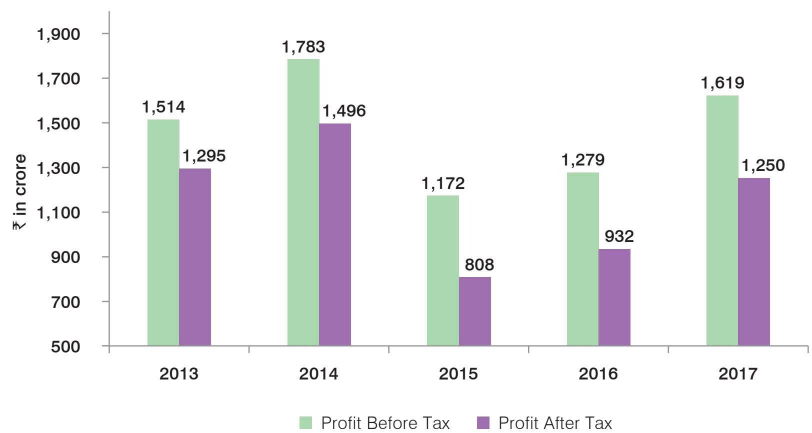
(1) Figures are restated as per Ind AS and schedule III
(2) Based on revised schedule VI
Avg. CE: Average Capital Employed
Market Price on BSE as on last day of the year

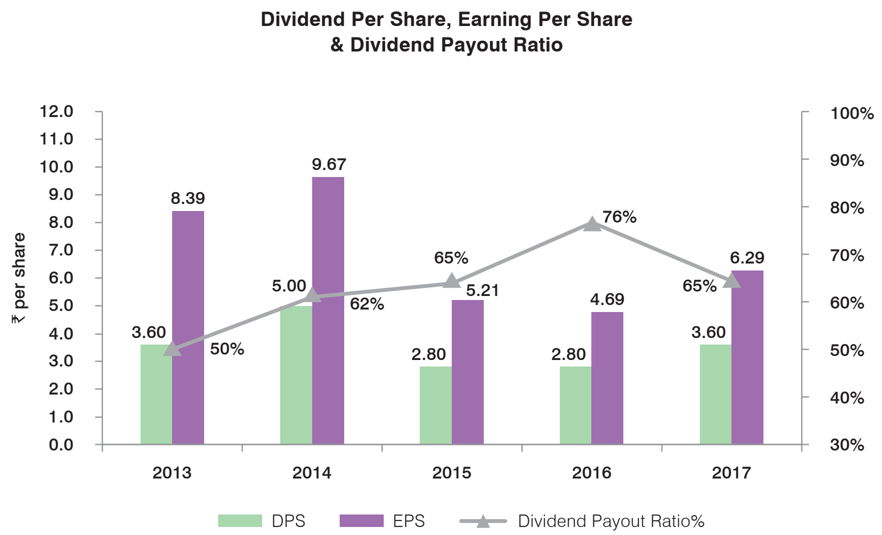
Performance Highlights

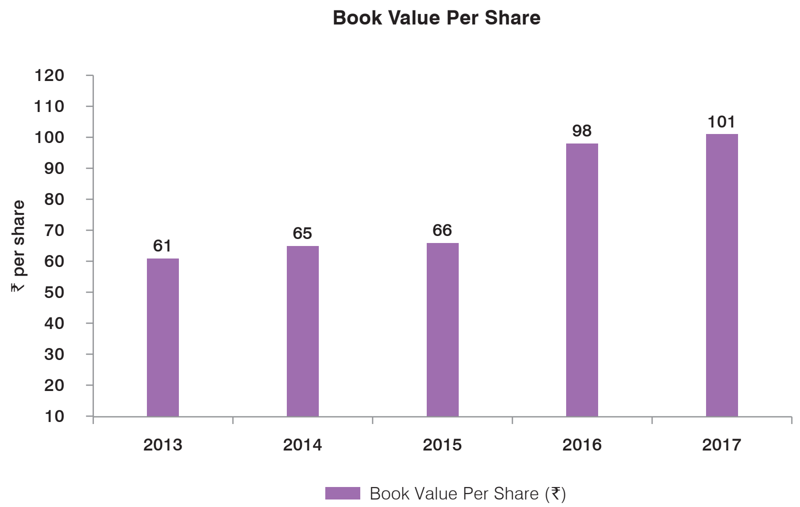
Net Sales, EBITDA & EBITDA Margin



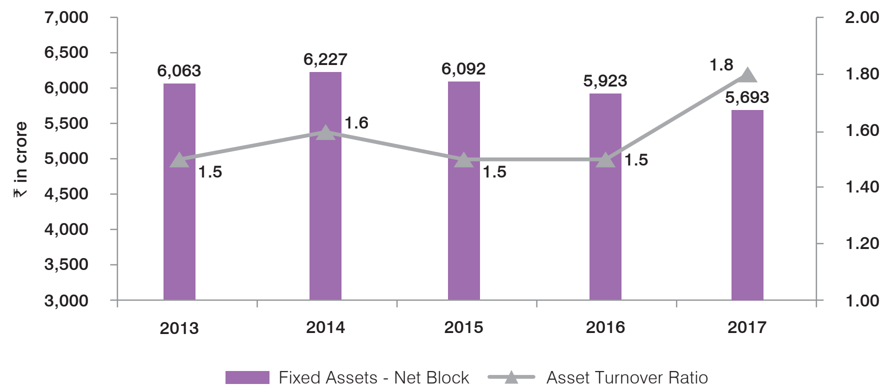
Profit Before Tax & Profit After Tax



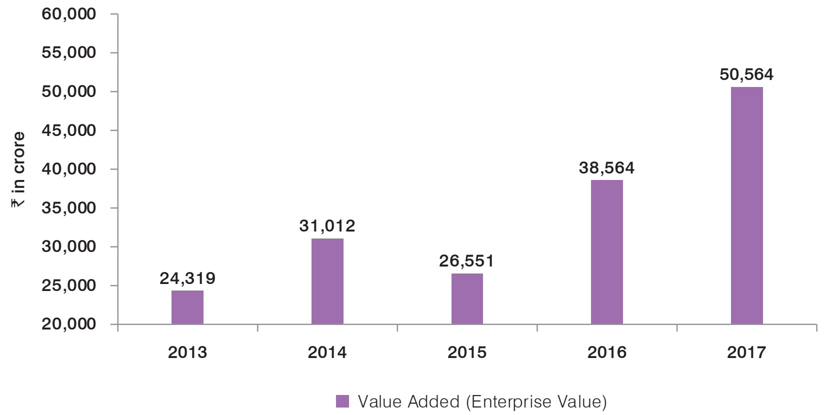

Dividend Per Share, Earning Per Share
& Dividend Payout Ratio
₹ per share
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
100%
90%
80%
70%
60%
50%
40%
30%
3.60
8.39
50%
5.00
9.67
62%
2.80
5.21
65%
2.80
4.69
76%
3.60
6.29
65%
2013
2014
2015
2016
2017
DPS
EPS
Dividend Payout Ratio%


Book Value Per Share
₹ per share
120
110
100
90
80
70
60
50
40
30
20
10
61
65
66
98
101
2013
2014
2015
2016
2017
Book Value Per Share (₹)

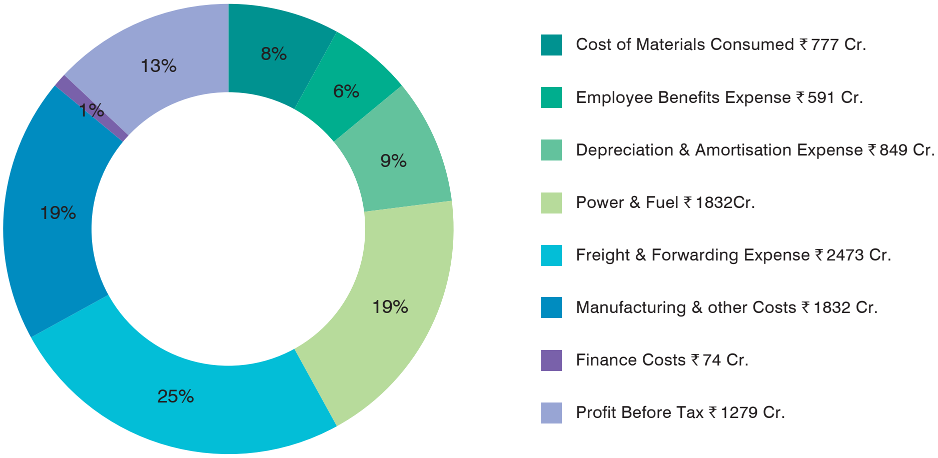
Net Fixed Assets & Assets Turnover Ratio



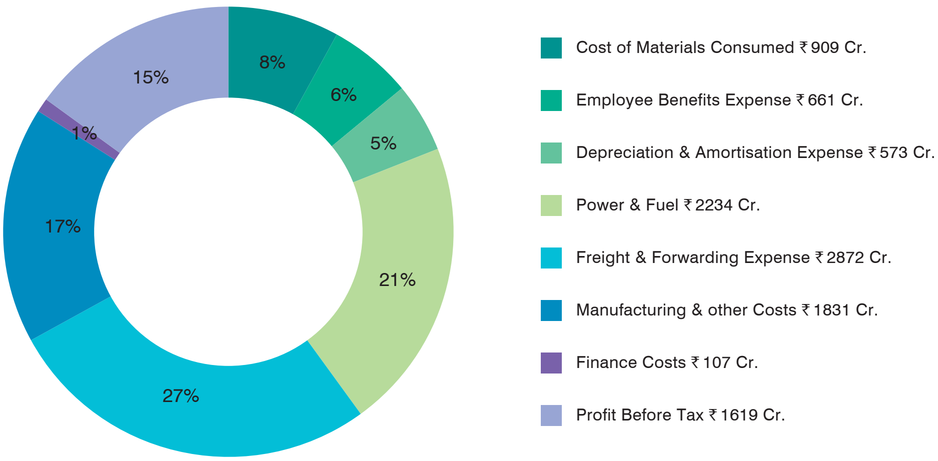
Enterprise Value



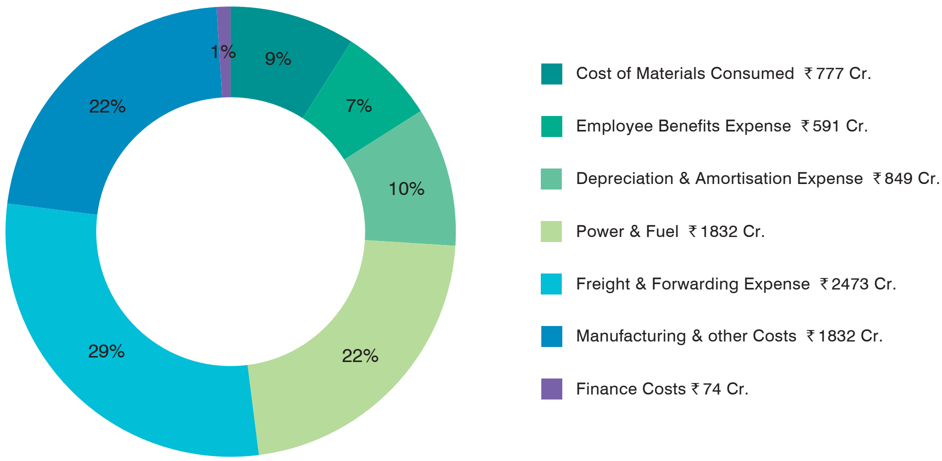
Cost & Profit as Percentage of Total Income 2016



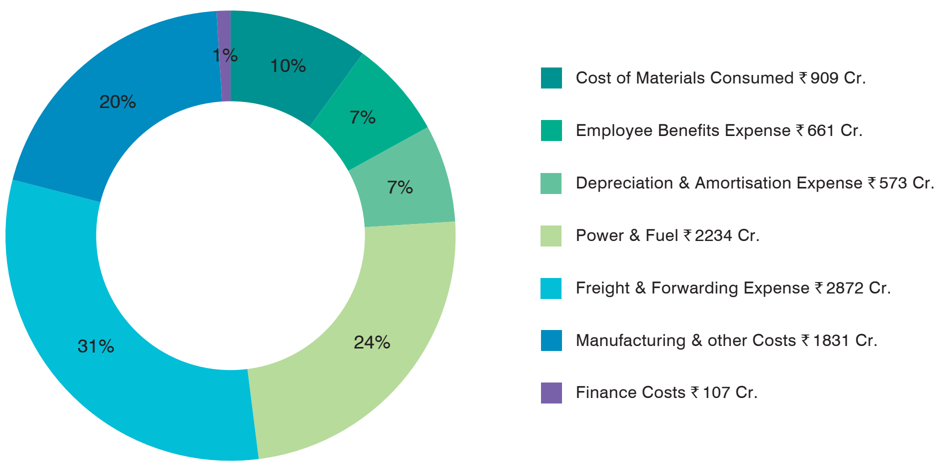
Cost & Profit as Percentage of Total Income 2017



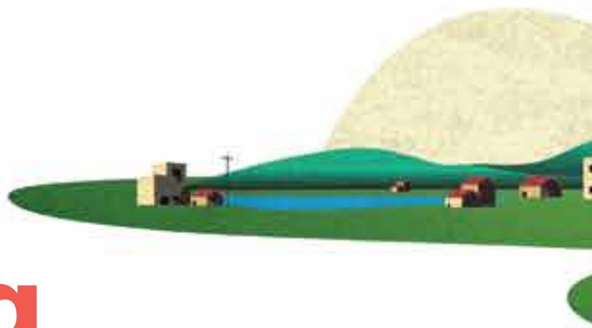
Cost Breakup as Percentage of Total Cost 2016



Cost Breakup as Percentage of Total Cost 2017



How did our team successfully launch light-coloured cement with high strength?



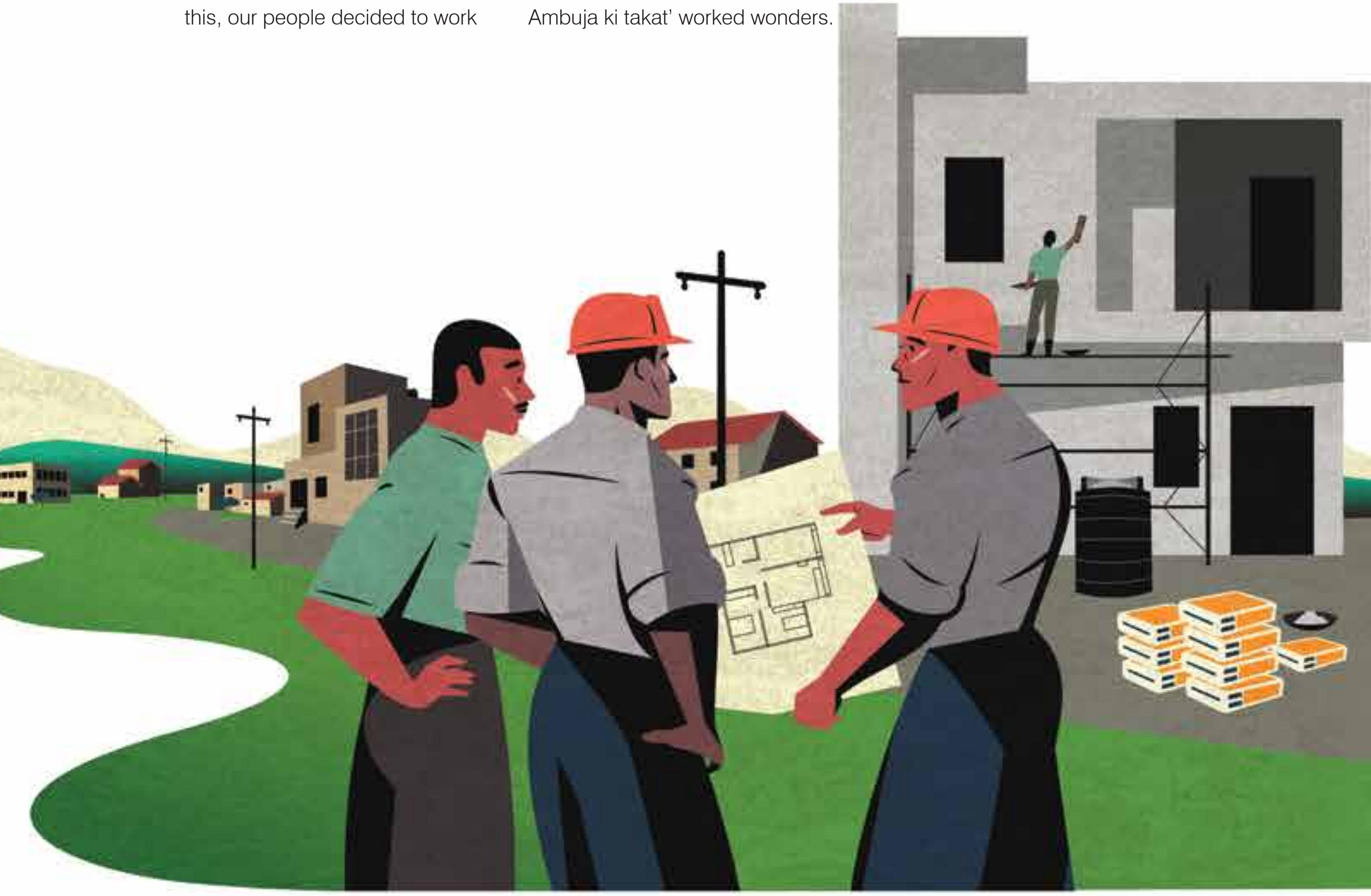
By combining the power of their own grey matter.

With rapid urbanisation and infrastructure development in the Eastern belt of India, our people saw an opportunity. These markets favour lighter coloured cement for individual homes, as painting can be delayed. However, studies showed that consumers doubted the strength of these cements. Who better then to change this perception, than the brand associated with giant strength?

The challenge was to create cement that was lighter in colour, without compromising on the product's sturdiness. To achieve this, our people decided to work backwards. Keeping the end result of strength and colour in mind, the team at Ambuja and LH Central Technical Lab spent hours tweaking the formula to achieve the perfect balance. It was time to launch Ambuja Compocem, but the timing wasn't ideal. The economy was still in recovery mode at this point. Conventional wisdom might have been to delay the launch, but our people had other ideas.

The marketing team stepped in to counter any setback, creating communication that stood out. The tagline 'Ab ujlepan ko mili Ambuja ki takat' worked wonders. Even the vibrant packaging was designed to be uniquely tamper proof, the solid quality further reinforcing the idea of strength.

Ambuja Compocem was a resounding triumph, generating 150 thousand tonnes sales in 2017. With an innovative formula that significantly reduced CO_2 emissions, the light grey cement was also lighter on the environment. It was the *I Can* spirit that brought different teams together to launch a success story, and strengthen Ambuja's position as an innovator in the cement industry.



Our Nalagarh plant had nothing to report all year.

In other words, a complete success, for the safety program.

Health and safety has always been a core value for Ambuja. And to benchmark global safety standards, our people created the 'Zero Harm' plan, which aimed at eliminating incidents both within and outside the plant premises.

At the Ambuja Nalagarh plant, our people began with the toughest task – improving the workers' attitudes towards safety. While guidelines were already in place, the willingness to follow them was missing.

The situation called for some innovative thinking. So inspired by the country's most popular pastime – cricket, our people created the 'Ambuja Nalagarh Safety League'. The league used the excitement of sports to instill learning, by having six zones competing in safety quizzes.

This was followed up with detailed safety sessions. To ensure no one skipped them, senior leadership attended daily, leading by example. Night surveillance, plant inspections, and more, were part of a unique training initiative. Importantly, instead of focusing on individual safety, our officers highlighted that safety was a collective effort. The safety numbers quickly turned around, improving dramatically.

Seeing the example set inside the plant, our safety officers turned their attention to the road – namely the truck drivers. A special Driver Management Centre, with the support of LH Global Expertise, was set up to impart safety education. But they didn't stop there. They also took the classroom to the drivers' homes. By involving their families, the idea of safety was reinforced in the drivers' minds.

All of this culminated in zero injuries in 2017, a first for any plant of this scale. It was the *I Can* spirit that inspired our people to make the safety of others their personal priority.

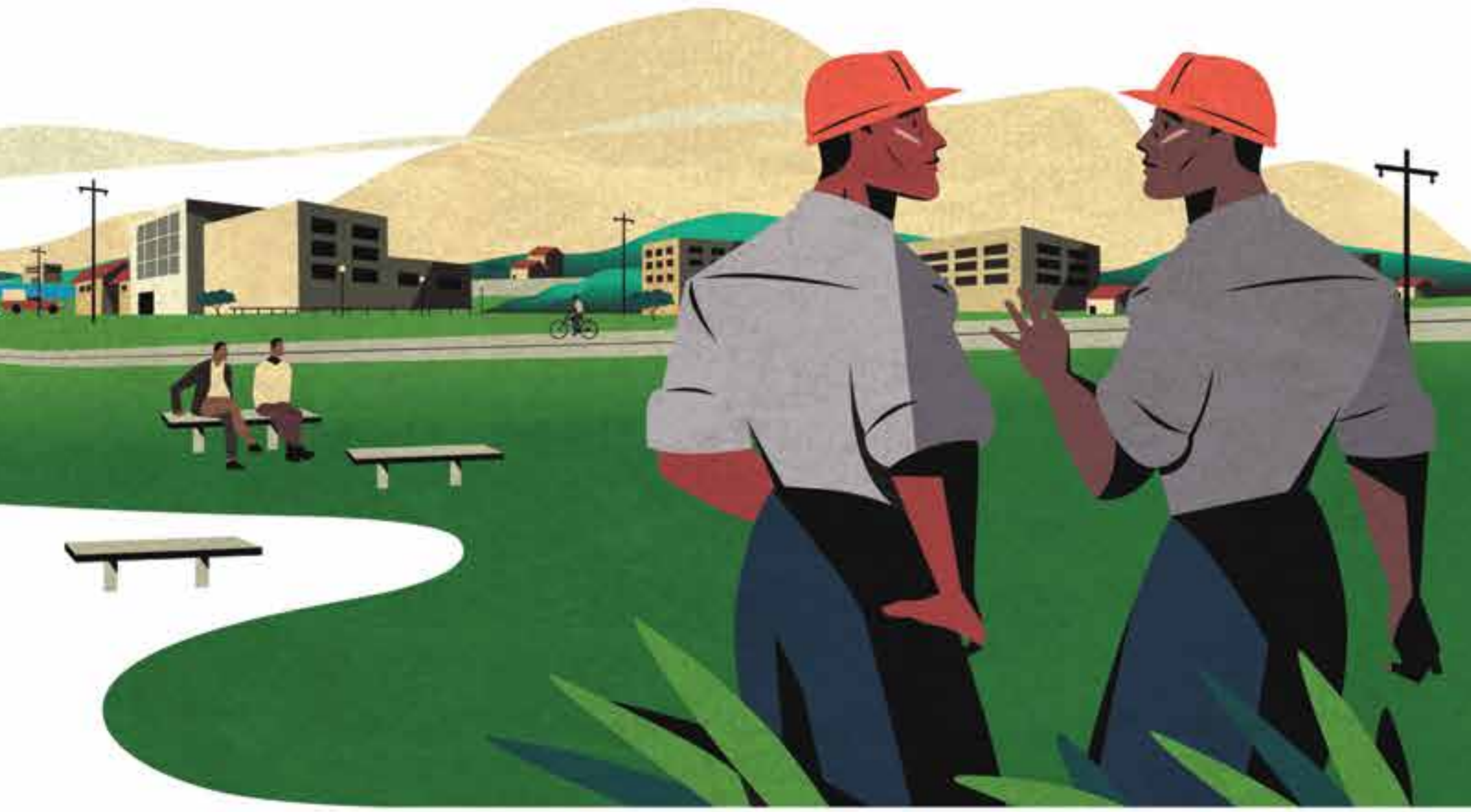
Someday,
our cities might
catch up
in development.

With
Kukudsath
village.

Ambuja's plants are primarily located in the rural interiors, in the vicinity of villages. One such village was Kukudsath, in the Chandrapur district. Just 2 years ago, there was widespread poverty and a lack of basic facilities here. Moved by the conditions, the Ambuja Cement Foundation tried to help the locals. However, their direct attempts were met with resistance.

But our people didn't give up hope. They realised that to convince the villagers, they needed to show visible benefits of change. So they took the village elders on a visit to Patoda, a famed village. Patoda had earned the title of being a model village, with cleanliness and technology initiatives. This visit convinced the Kukudsath villagers of the need for improvement.

ACF could have taken on the entire burden of improving the village. But for lasting change, they needed the villagers to be active participants. ACF created a fund in which 50% was covered by the villagers themselves, the wealthier contributing more. Things rapidly turned around. In just a year the village was equipped with a RO plant, waste water management, a school, a solar water heater, and CCTV cameras. Next they tackled social and health evils, such as tobacco usage, banning it entirely from the village. Today Kukudsath is a model village by itself and an inspiration to the country. It was the *I Can* spirit, shared equally by our people and the villagers, that made a complete transformation possible.



Integrated Report

Our integrated approach for value creation

At Ambuja we've always planned ahead, for the next step. An integrated approach is yet another example of this forward thinking. This allows our stakeholders to gain a holistic view of the company's processes, goals and even numbers.

Ambuja features amongst the top 10 Companies in Global DJSI Ranking-2017

Amongst other achievements, we are proud to be at #7 among the world's most sustainable companies at the Dow Jones Sustainability Index (DJSI) Global Ranking for 2017, in the Construction Material (COM) category.

Ambuja in the Global listing of Carbon Disclosure Project (CDP) for 2017.
Another proud moment for us has been in recently released League Table of Carbon Disclosure Project (CDP) of world's 13 cement companies. Ambuja stands at #2 on various attributes of the rating. We are #1 in climate governance and strategy in the league table of CDP.

We reached the top 500. So we've integrated the top processes.
We have embarked on the journey of integrated reporting by introducing elements of the International Integrated Reporting Framework (IR framework) developed by the International Integrated Reporting Council (IIRC) as a part of our Annual Report 2017. 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 six Capitals of Integrated Reporting.

Decision making through integrated thinking

At Ambuja Cement, we focus on creating value for all our stakeholders. 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.

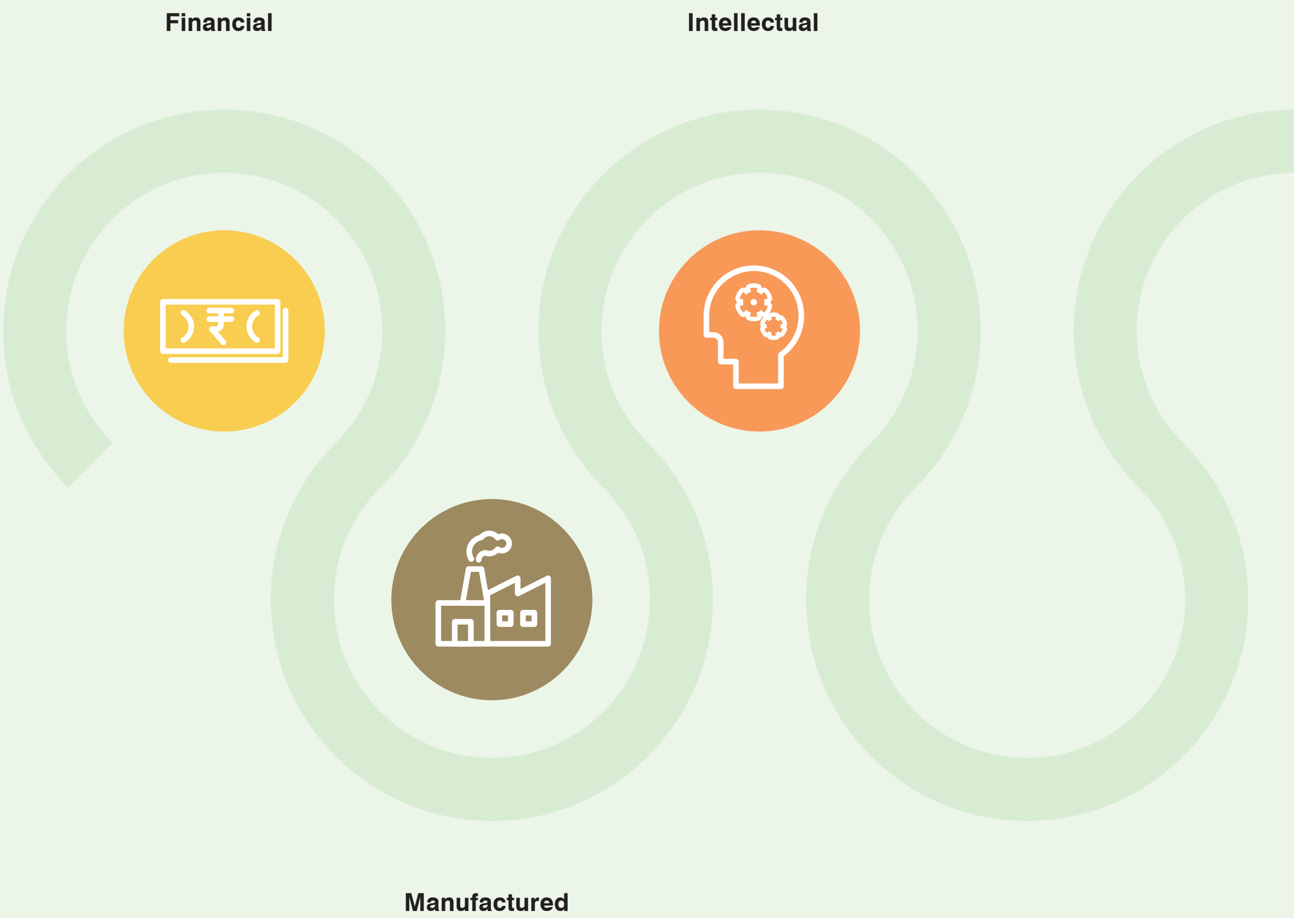
We achieve goals by planning for the long run, the short run and in-between.
Our business strategies are formulated with an aim to create short, medium and long term actions to achieve organisational goals across functions. Our strategy is centered on:

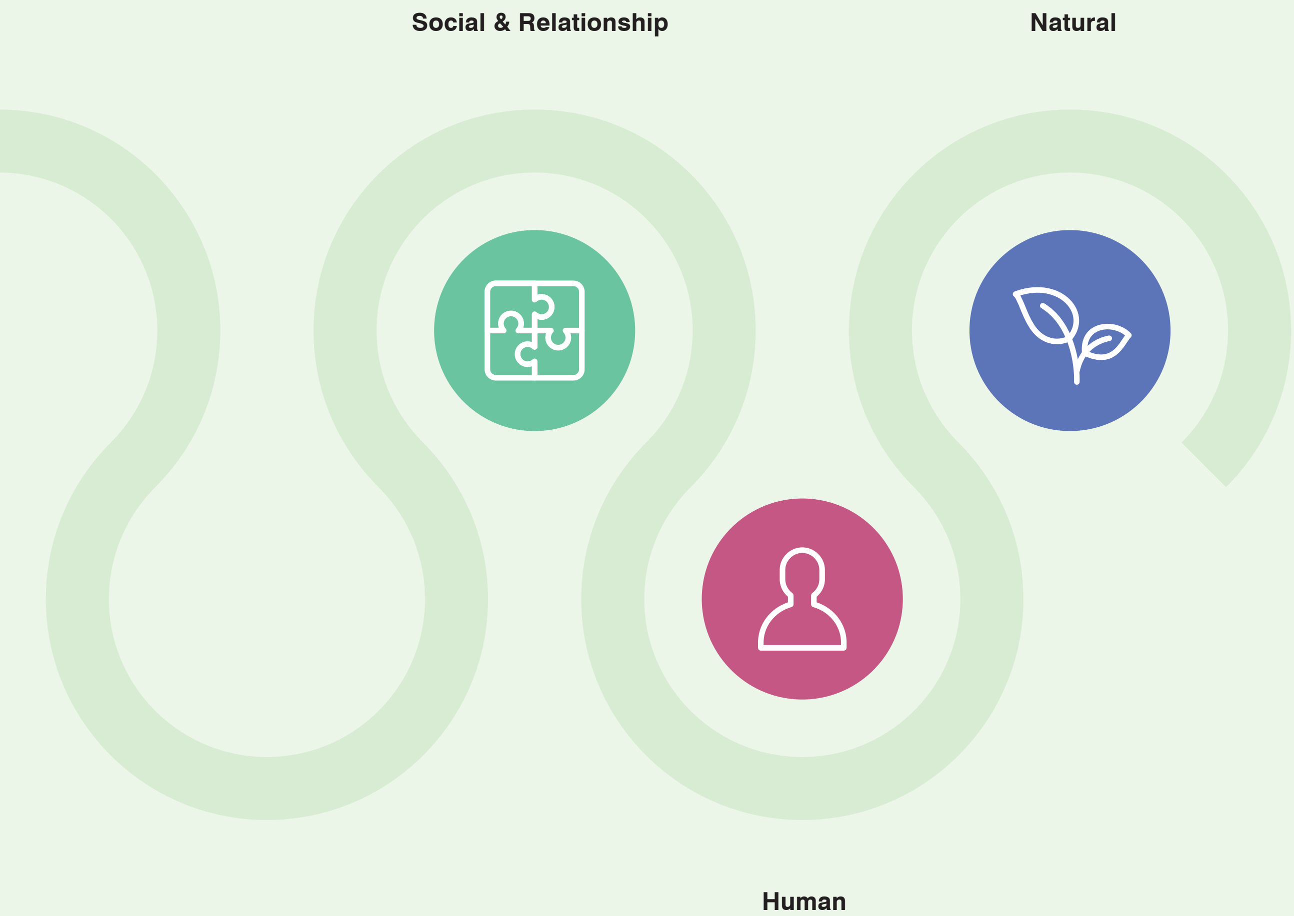
- Engaging our resources for best returns
- Analysing risks and opportunities and creating options for value creating growth
- Driving a change towards customer and end-user oriented business views

Numbers don't tell the whole story. Unless it's True Value figures.
Ambuja conducted a 'True Value' study to understand and establish the business case for sustainable development. This involves valuation of externalities, internalising these externalities and developing a road map for enhancing value creation. This approach has influenced our business strategy and helped us in making informed decisions.

While creating our value creation for stakeholders, we have taken into consideration the resources and relationships used and affected by our operations. These are collectively referred to as the six Capitals of Integrated Reporting, including the financial, social and relationship, manufactured, human, natural and intellectual. We have discussed the management approach implemented for each Capital, the role of each Capital as inputs and outcomes, value chain activities relevant to these Capitals and stakeholders impacted.

Resources - Six Capitals of Integrated Reporting




Social & Relationship
Natural
Human

Our Stakeholders

Governance for integrated thinking and management.

We operate on a three-tiered governance model consisting of the Board of Directors (BoD), Commitees 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 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 focusses 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 energise 'We Care' through 'More Boots On Ground', which focuses on organisation, 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'.

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 familiarisation 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 throughout 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 CO2 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.

Financial Capital

Key Inputs

- Total assets is INR 24,617 Crore
- Net working capital is INR 1,374 Crore
- Total borrowings of INR 24 Crore
- Total equity of INR 19,973 Crore
- Finance costs of INR 107 Crore
- Retained earnings of INR 616 Crore
- Tax paid as per cash flow INR 310 Crore

Value Chain Activities

- Financial Planning and Analysis
- Taxation and Compliance
- Cash & Investment Management
- Fixed Cost Reduction Initiatives

Key Outcomes

- Revenue from operations is INR 11,215 Crore
- Increase in sales
- Operating EBITDA of INR 1,940 Crore
- EBITDA margin of 19%
- Operating cash flow INR 1854 Crore
- Market capitalisation INR 53,851 at the end of 2017
- Increase in market capitalisation

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.

Manufactured

Key Inputs

- We have a total of 13 plants
  - 5 integrated plants
  - 8 grinding plants
- 5 shipping terminals
- Production capacity 29.65 MTPA
- Capex during the year INR 562.32 Crore
- Land leased across India 7346 Ha
- 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 volume is 22.98 million tonnes
- Clinker factor production has improved by a percentage point.
- Thermal substitution rate is 4.2%
- No change in plant capacity
- 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 OHSAS 18000 and ISO 14001 certified
- Specific Thermal Energy Consumption is 3178 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. Ambuja Knowledge Initiatives along with LH Global know-how aims to give our customers maximum value through a diverse portfolio of offerings.

Intellectual

Key Inputs

- INR 1,30,000 spent on R&D
- Internal thought leaders and experts influence the sector
- INR 2,85,000 invested in new testing equipment / facilities

Value Chain Activities

- Research and Development

Key Outcomes

- 10 new products developed
- 20% increase in market share as a result of investment in new product development
- Agreed Quality Products achieved as per LafargeHolcim quality manual
- Value created for society & environment by utilisation of supplementary cementing material like fly ash and slag
- 17 technical support labs are NABL accredited

CREATING VALUE THROUGH INNOVATION: COMPOCEM.

A composite cement that is also composed of environmental benefits.

We were the first to launch Compocem, a Composite Cement in February 2017. This has opened yet another avenue of sustainable products in the construction industry.

Our product development team worked with the LH global R&D centre and was successful in combining the hydraulic properties intrinsic in slag cement and the properties that catalyse quicker formation of silicate gel in a pozzolana cement. Compocem was strategically developed to:

1. Conserve clinker (saving ~ 10 % compared to PPC)
2. Increase the portfolio of green products by using fly ash and slag – both industrial waste
3. Enhance equity of the brand in the fast growing markets of eastern India

We have supplied this cement in Bihar, Jharkhand, West Bengal & Odisha markets so far. The response from customers and influencers has been very encouraging in terms of:

1. Better workability & cohesiveness
2. Low water demand
3. Better finish – Concrete & Mortar
4. Good initial & final strength

Leveraging on innovation - Implementing in-house audit software.

Our Internal Audit department relied on an Electronic Work Paper software (known as 'TeamMate') which had additional capabilities that could only be tapped if the set-up was changed to a server based model. Ambuja's Internal Audit with the support of Regional IT Service Center embarked on the journey to internally study the IT requirements, procure server and conduct vulnerability tests, User Acceptance Tests and other changes that were required to make the client-server system ready for this application. In line with our 'I Can' spirit, the team was empowered to take decisions with a clear objective of having the system up and ready for the new features of online tracking of audit observations along with the audit documentation. After a period of concerted efforts, the team was successful in launching the new system online. The automated tracking through the software was launched in September 2017. The centralised Teammate Software now has an additional advantage of status of observations being visible to all concerned, auto-email reminders being sent out to the management for actions and in-built dashboards to facilitate various analyses for the audit observations.

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 enterprise development initiatives. We work beyond addressing poverty and implement an integrated approach through knowledge, skills and infrastructure.

We also benefitted from LH's global best practices in Sustainable Procurement, R&D and Technical Services.

Social & Relationship

Key Inputs

- Total vendors were assessed in supply chain 373
- Total 629 of customer complaints resolved
- Total Instant Mix Proportioning services provided: 37,306
- Number of Modular Curing Solution services provided: 10,550
- Numner of rain water harvesting skill building sessions 214
- No. of skill building sessions for masons / contractors 955
- No. of technical lectures: 27,833
- 7,902 Vendors were on boarded
- Policy in place for referring locally based (national market) suppliers
- INR 7,965.63 Crore is the total expenditure on vendor development
- Investment in rural housing and development
- 373 suppliers were subject to human rights assessments
- INR 58.79 Crore were spent on CSR activities

Value Chain Activities

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

Key Outcomes

- 292 vendors pre-qualified the sustainable supply chain assessment
- Total 16,794 active local vendors (from the national market) as a result of implementing the policy
- Around 2 Million lives were reached through our CSR activities

CREATING VALUE BY PROMOTING LIVELIHOODS.

Growing new paths for our farmers through technology.

Our agricultural livelihoods programmes aim in bridging the existing gap in farmers' traditional farm practices through capacity building on preferred package of practices, introduction of new technologies and creating market linkages. In 2017, we created value for over 1,30,000 farmers through various programmes such as Better Cotton Initiative (BCI), System of Rice Intensification, Sustainable Spices Initiative, Organic Farming, Wadi Development (Horticulture), Fruit and Vegetable Cultivation, Crop Diversification and Salinity Ingress Mitigation. Through BCI, we have achieved an incredible 85% growth in farmers outreach and 165% increase expansion in acreage.

Human capital – Employees, talent management, health and safety.

Our people strategy, systems and processes have been designed to make Ambuja Cements Limited an employer of choice.

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 realising our vision of 'Zero Harm' and becoming an employer of choice.

Human

Key Inputs

- 5,426 employees – 131 females and 5,295 males
- No. of employees hired 319
- Total man-hours worked in 2017 is 1,27,80,479
- Employee wages is INR 661.37 Crores
- Average employee cost incurred is INR 12,18,909 per annum
- 19 recruitments under new verticals
- Total training imparted in 2017 9,62,888 man-hours
- 100 employees have undergone risk based health assessment

Value Chain Activities

- Trainings
- Cement manufacturing
- Marketing and sales

Stakeholders Impacted

Key Outcomes

- Revenue per employee is INR 1,90,00,000
- 87% of employees engaged
- 23 cases of employee grievances recorded
- 200 employees ready for leadership role (2018)
- Total medical treatment injury: 38
- On-site fatalities 3
- 52% reduction in Lost Time Injury Frequency Rate (LTIFR)
- 50% reduction in Total Injury Frequency Rate (TIFR)
- Improvement in health of people
- Decrease in rate of absenteeism
- 1% reduction in attrition rate
- 4 women in leadership role 22 women recruited in 2017 (2.5% of total workforce)

Recognising our employees' contribution, 3 times over.

We believe that our R&R program fulfills 3 intentions of Reaching Out, Recognising and Rewarding employees for their exceptional contribution at work. Over 600 nominations were received under different categories in 2017. Over 500 employees across various locations were rewarded under this program.

'We Care' – a journey of transforming health & safety.

We persevere in improving our health & safety performance across our operations – at our plants, warehouses as well as in transportation. We Care is our transformation journey that has helped us significantly reduce onsite injuries in 2017. Our overall onsite injuries have decreased by 45 and Lost Time Incidents (LTIs) have dropped by 63% in 2017 as compared to 2016. As a result of our relentless efforts, we have achieve the goal of 'Zero Injury' in the Nalagarh plant this year.

Natural capital - Resource availability, energy efficiency, air emissions, water management, waste management, biodiversity.

Maintaining an operational – environmental balance is a key driver for business at Ambuja Cements.

We recognise 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, with support from LH group which has vast expertise in these areas, 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 our 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.

Natural

Key Inputs

- Operational water consumption is 141lit/t cementitious material
- Operational fresh water withdrawal is 68 lit/t cementitious material
- Total heat consumption kiln: 49,328 TJ
- Alternative fuels utilized: 869 TJ
- Alternative bio fuels utilized: 475 TJ
- All quarries were assessed for Biodiversity baseline conditions using BIRS (Biodiversity Indicator & Reporting System)
- INR 49.26 crore incurred under environmental expenditure

Value Chain Activities

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

Key Outcomes

- Total waste generated: 363,054 Tons
- Waste disposed (landfilled/incinerated): 133 tons
- All other wastes are reused, recycled or sent for energy recovery.
- 549.5 kg CO_2/t of cement net emission (Scope 1) released
- Specific SO_2 emission: 139.4 g/t of cement
- Specific NOx emission: 1232.2 g/t of cement
- Specific dust emission: 33.7 g/t of cement
- 7.2 % of renewable energy over total energy consumption.
- 13% of water is recycled
- Over 5 times water positive

Our vision of positive change in biodiversity:
In line with our 2030 plan of demonstrating positive change for biodiversity, we have initiated a new baseline biodiversity assessment through Biodiversity Indicators Reporting System (BIRS) designed by experts from International Union for the Conservation of Nature (IUCN). BIRS is a simple system for assessing the overall biodiversity suitability of a site having different habitat types, expressed as 'site condition class' on a numerical scale. This exercise has been undertaken to primarily overcome the challenges faced by our team in assessing biodiversity status and quality of habitats. To ensure successful implementation of this system selected biodiversity champions were trained by senior IUCN experts. Ambujanagar and Darlaghat sites have pioneered in developing site specific Biodiversity Action Plan (BAP).

Our True Value journey:
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. We initiated the valuation of non-financial parameters in 2012 which provides a mechanism to monitor and improve our social, environmental and economic performance. Our net positive contribution to the environment and society in 2017 was about INR 2,200 crore as compared to about INR 1,660 crore in 2016 and 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).

Value created for our stakeholders.

Capitals

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

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:

Value creation through integrated thinking

Integrating risks into business strategy

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

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

Our practices, processes and overall strategy are aligned with the triple bottom line approach which is in keeping with our aim to be the most sustainable company in our sector. We have designed our 2030 targets drawing inspiration and active support from our parent company's (LafargeHolcim) '2030 Plan' to be a leader in sustainability and set new standards for the construction industry. Our 2030 Plan is designed to ensure business growth along with increased commitment towards corporate sustainable development.

Our short and long term outlook

	2020	2030
Climate	Reduce net specific CO_2 emissions from cement plants by 33% (Vs.1990)	Reduce net specific CO_2 emissions from cement plants by 40% (Vs.1990)
	Use 9 million tonnes of waste-derived resources per year	Use 13.5 million tonnes of waste-derived resources per year
Circular Economy Water & Nature	• Reduce fresh water withdrawal increment operations by 7% • Implement WASH pledge on all sites • Improve our water balance index to 5 • Have a Biodiversity Indicator Reporting System (BIRS) in place at all Active Quarries	• Reduce fresh water withdrawal increment operations by 15% • Improve our water balance index to 6 • Show positive change for Biodiversity
People & Communities	• Have zero onsite fatalities • Reduce LTIFR<0.50 • Reduce TIFR by 30% • Develop social programs to benefit 1.8 million people • Complete Human Rights assessment at all plant locations • Stakeholder engagement plan at all cement sites	• Have zero onsite fatalities • Reduce LTIFR<0.20 • Reduce TIFR by 50% • Have 100% of high-risk active suppliers assessed and consequence management in place

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 maximise 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 the years to come.

The 4D Methodology

The methodology functions as the framework of our integrated thinking agenda, thereby catalysing our value creation strategy. It includes - the identification of both positive and negative externalities, development of protocols, identification of material issues, development and prioritisation of our KPIs against the Integrated Reporting 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.

Awards

CII ITC Sustainability Awards	for 'Outstanding Accomplishment for Corporate Excellence', 8th time in a row
NCB National Award	for Environment Excellence
NMDC Social Awareness Award	by FMI
CII National Award	for Excellence in Energy Management
Yes Bank Natural Capital Awards	in Eco-Corporate category under Manufacturing Sector
CII National Award	for Excellence in Water Management
CII National Award	'Environmental Best Practices' in Waste Management
ICAI Awards 2017	CA CFO Award in the Manufacturing Sector

Recognitions

Certified 5.5 times water positive
by external certification body DNV-GL
- the only cement entity in India
with such a high water positive score.

Ambuja ranked 7th by Dow Jones
Sustainability Index - emerges as the only
Indian company among the top seven
cement entities in the list.

Ambuja ranked
as India's 'Most Respected Companies'
by Businessworld.

Listed amongst
top 40 brands in Interbrand
'Best Indian Brands 2017'.

Ranked amongst India's
'50 Biggest Non - Financial Companies'
by Businessworld.

Directors' Report and Management Discussion and Analysis

Dear Members,
It is our pleasure to present the Annual Report of the company for the year 2017.

1. An overview of the Indian economy in 2017.

Reforms have helped reform the economy into a powerhouse.
2017 was a momentous year with path-breaking reforms undertaken by the Government.
The implementation of GST encouraged financial discipline, while the Fiscal Responsibility and Budget Management Act strengthened India's institutional framework with the further goal of reducing the fiscal deficit and improving macroeconomic management.

The upgrading of India's government bond rating from Baa3 to Baa2 by Moody's, as well as the RBI's marginal reduction in the repo rate from 6.25% to 6% further contributed to the elevated growth sentiments felt during the year.
A country's international rankings and sovereign ratings are used by investors not only to ascertain its macroeconomic health and investment climate, but also to instil confidence in its economy.
In terms of the 'Ease of Doing Business,' India emerged in the top 100 countries, an improvement of 30 places. This improvement was attributed to the changes brought about by the sustained business reforms undertaken over the course of the year.

The good monsoon showered the economy with gains.
On the sectoral front, the average performance of the agricultural sector improved more in 2017 than in previous years, all thanks to a normal monsoon and the support of the Central and State Governments.

The average manufacturing PMI for the year stood at 51.4. In the services sector, there was a moderate rate of expansion with a PMI of 50.1.
Growth within the core industries comprising of coal, crude oil, natural gas, petroleum & refinery, fertilizers, steel, cement and electricity rebounded in the last quarter of 2017 in spite of the fact that crude prices were not very favourable.

Our economy is heading forward by moving online.
India is witnessing structural shifts at multiple levels and across various sectors. It is not only transitioning from an informal to a formal economy, but also from a cash to a digital economy, a rural to an urban and an offline to an online one. Due to this, the economy may experience short-term pains, but in the long run, it stands to gain.

The cement sector's growth in 2017 was led largely by the continued support from Government backed infrastructural and constructional initiatives, as well as by the facilitation of the flexible interstate movement of cement. The latter was made possible by the elimination of local taxes through the implementation of GST.

Over the course of the year, the Government focused on rural development (increased outlay), infrastructure and affordable housing. It did this through its 'Bharatmala Project,' which was undertaken to construct cement concrete roads and highways, as well as to develop the economic corridor, the coastal and port connectivity roads, the international connectivity road, expressways and so on. The overall demand for cement in 2017 grew steadily at 6%, which was predominantly from the Government sponsored affordable housing sector and infrastructure segment.

The Government also introduced the Real Estate Regulatory Act (RERA) and Real Estate Investment Trusts (REIT) to increase transparency in the real estate sector and discourage parallel economies. This will in turn bring back homebuyers' confidence. Through RERA, the buyer will be guaranteed a dedicated governing body, timely project completion, as well as complete information on the project and the amenities that were promised. RERA and REIT-like reforms are here for good. This may have affected the growth of the construction sector in the short term, but in the long run, it is felt that such reforms will surely accrue multiple benefits and growth.

2. Amalgamation of the company and ACC Limited.

Cementing a new partnership.

The members may be aware that pursuant to the approval of the FIPB, the Scheme of Amalgamation of the Holcim India Pvt. Ltd. (HIPL) with the company came into effect from 1st August 2016 and ACC Limited and all its subsidiaries became the subsidiary of the company. ACC is one of the oldest cement manufacturers in India with a pan India footprint. It has also been a pioneer and trendsetter in cement manufacturing since it was established in 1936.

To further optimise the economies of scale to generate higher value for all the stakeholders, the Board of Directors of both the companies decided to explore the possibility of a merger. This could enable both companies to combine their strengths of business and thereby benefit all the stakeholders.

The Special Committee of Directors formed for this purpose have concluded their extensive study and are of the view that currently, there are certain constraints in the implementation of a merger between the Company and ACC. Accordingly, the Board decided not to pursue the merger at this point in time, though it remains the ultimate goal.

In the meanwhile, to maximise synergies and unlock additional value for stakeholders, the Board has approved an arrangement in the form of a Master Supply Agreement for the sale and purchase of materials and services on mutually agreed terms. The approval of the shareholders for the proposed arrangement between the two companies has been obtained through Postal Ballot.

3. Financial performance - 2017.

AT A GLANCE – STANDALONE FINANCIAL ACHIEVEMENTS IN 2017.

The company cemented its financial position in 2017.

- Cement production increased by 8% from 21.2 million tonnes to 22.98 million tonnes.
- The domestic cement sales volume increased from 21.1 million tonnes in 2016 to 22.95 million tonnes in 2017. Clinker sales (including exports) decreased from 0.37 million tonnes in 2016 to 0.03 million tonnes in 2017.
- The net sales of ₹10,240 crores are an increase of 12.32% from the previous year's ₹9,117 crores. The average sales realisation increased by around 5% at ₹4,455 per tonne against approximately ₹4,227 per tonne in 2016.
- The total operating expenses for the year 2017 were higher than the previous year.
- The absolute EBITDA of ₹1,940 crores was 14.66% higher than the corresponding EBITDA of ₹1,692 crores for the year 2016.
- Profit before Tax at ₹1,619 crores was up by 26.58% over the corresponding Profit before Tax of ₹1,279 crores from the year 2016.
- Net Profit at ₹1,250 crores was up by 34.12% over the corresponding Net Profit of ₹932 crores from the year 2016.

Performance of the material subsidiary.

Pursuant to the Amalgamation of HIPL, the company acquired 50.05% shareholding of ACC Limited. The summary of ACC Limited's financial performance is as under:

- Cement volumes in 2017 were at 26.21 million tonnes, as compared to 22.99 million tonnes in the previous year.
- Operating EBITDA for the full year was ₹1,912 crores, as compared to ₹1,478 crores of the previous year.
- Consolidated profit before tax for the year was up by ₹425 crores.

The Implementation of IND-AS in 2017.

The company has adopted Indian Accounting Standards (Ind-AS) with effect from 1st January 2017. The transition date was 1st January 2016, as prescribed under section 133 of the Companies Act 2013 and read with the relevant rules issued thereunder. Accordingly, the company has provided Ind-AS compliant comparative financial results for the previous year that ended on 31st December 2016.

Amount in ₹ crore

	Standalone		Consolidated	
	Current Year 31-12-2017	Previous Year 31-12-2016*	Current Year 31-12-2017	Previous Year 31-12-2016*
SUMMARISED PROFIT AND LOSS				
Sales (Net of excise duty)	10,240.18	9,117.19	23,116.08	19,874.97
Profit before finance cost, depreciation & amortisation expense and exceptional item	2,299.23	2,202.56	4,180.19	3,649.04
Finance costs	107.19	74.24	205.78	152.99
Gross Profit	2,192.04	2,128.32	3,974.41	3,496.05
Depreciation and amortisation expense	572.92	848.85	1219.45	1,460.93
Add: Share of profit of associates and joint ventures	-	-	12.77	11.31
Less: Exceptional item	-	-	-	(38.59)
Profit before Tax and Non Controlling Interest	1,619.12	1,279.47	2,767.73	2,007.84
Tax expense	369.55	347.23	822.85	573.77
Profit after tax but before non controlling interest	1,249.57	932.24	1,944.88	1,434.07
Less: non controlling interest	-	-	428.52	328.99
Net profit for the year	1,249.57	932.24	1516.36	1,105.08
MOVEMENT IN RETAINED EARNING				
Balance as per last account	687.18	(445.56)	988.48	(261.67)
Net profit for the year	1,249.57	932.24	1,516.36	1,105.08
Add : other comprehensive income	3.41	(1.24)	4.32	(9.00)
Transfer from / to general reserve (net)	-	850.00	-	834.98
Dividend on equity shares (including interim)	555.98	434.53	555.98	522.99
Corporate dividend tax on above	80.66	88.46	113.42	32.65
Interim equity dividend paid by HIPL including tax thereon	-	199.96	-	199.96
Add: Inter company elimination of dividend pursuant to scheme of amalgamation of HIPL with the company	-	74.69	-	74.69
Closing balance	1,303.52	687.18	1,839.76	988.48

* Figures have been restated as per Ind AS.

4. An overview of company dividends in 2017.

The company has a robust track record of rewarding its shareholders with a generous dividend pay-out (both interim & final). Continuing with this practice, the company paid an interim dividend of ₹1.60 per share (80%) during the year 2017. In light of the overall improved financial performance, including Profit After Tax for the full year as compared to the year 2016, the Directors have recommended a final dividend of ₹2/- per share (100%). Thus, the aggregate dividend for the year 2017 is ₹3.60 per share (180%) and the pay-out (net) will be ₹811 crore, inclusive of the dividend distribution tax of ₹96 crore. This represents a pay-out ratio of 65%.

Dividend distribution policy.

Regulation 43A of the SEBI Listing Regulations ("LODR") requires the top 500 listed companies based on market capitalisation to formulate the Dividend Distribution Policy. In compliance with the said requirement, the company has formulated its Dividend Distribution Policy, the details of which are available on the company's website at: **http://ambujacement.com/Upload/PDF/ dividend-distribution-policy.pdf.**

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

Backed by its strong democracy and partnerships, India has emerged as the fastest-growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). India's GDP increased to 7.1 per cent in 2016-17.

With an improvement in the economic scenario, immense potential is being offered to the cement industry by the infrastructural, commercial and housing sectors. With favourable demand and supply-side developments along with product range, the industry showcased tremendous growth at 6% for 2017 despite the challenging market environment, the initial hiccups of GST and the issues relating to the availability of sand.

The total cement sales for Ambuja in 2017 grew by 9% ~ 23 million tonnes as compared to 2016. The company in 2017 did not venture into significant exports of cements.

Betting big on small towns.

Ambuja Cement has the penetration of a distribution network deep in rural areas in its core states. Almost 70% of Ambuja's retail sales come from small towns and villages. This, coupled with the strong brand equity and efficient channel management, helped the company to withstand severe competition.

Ambuja sails through 25 Years of efficiency.

It is a matter of immense pride that Ambuja's pioneering initiative of cement transportation through sea routes will be completing 25 years during the current year. Ambuja was the first company in India to introduce this innovative method of supplying cement in bulk from its Mother Plant at Ambujanagar to as far away as Surat, Mumbai, Mangalore and Cochin through its dedicated fleet of ships specially designed for cement transportation. Coastal Sea transport is one of the foremost initiatives of Ambuja

Ambuja completes 25 years of cement transportation through sea routes.

towards business sustainability having a significant cost benefit and a reduction in carbon footprint. The sea transportation capacity which started with one ship, one loading terminal and one discharge terminal with a capacity of 0.3 million tons, has now expanded and been upgraded to 3 captive ports and 10 self-unloading cement carriers tailor-made to the company's needs.

The above network of ports, bulk cement terminals and captive ships has supported a sustainable and strong market position in the western market of Mumbai & Surat and has helped in the expansion of the company's footprint in the southern region through its bulk cement terminals at Mangalore and Cochin.

LOGISTICS AND SURFACE TRANSPORT

Keeping safety on track.

Ambuja's logistics team developed a special sales & operations tool (S&OP), with help from LH to enable the company's quick switch between the rail-road-mix to respond to demand fluctuations in a timely manner, as well as ensure that the supply to pipeline markets didn't dry up or become overstocked due to unexpected demand fluctuations. At the same time, the S&OP has helped the company to optimise costs.

Although Ambuja has little control over the vehicles on the road, safety is non-negotiable in the company's logistical operations.

STEERING TOWARDS ZERO HARM WITH TECHNOLOGY.

Over the course of the year, Ambuja brought a sharp focus on road safety through a comprehensive Road Map Vision 2020 developed with support from our parent, LafargeHolcim. By studying the past data of incidents and through careful risk analysis that was within the company's control, Ambuja identified three critical safety factors – the driver, the vehicle and the infrastructure.

A new GPS–based technology called the In-vehicle Monitoring System (IVMS) was used to enable greater visibility and control of driving behaviour. IVMS has now been installed in 5000+ trucks. Apart from this, the certification of drivers and their vehicles through a long and thorough system of tests, including electronic vehicle checking and the setting up of the Transport Control Tower for backend analytics of IVMS data, has given Ambuja's teams the ability to move towards Zero Harm. Driver Management Centres (DMCs) set up at all company locations with active support from LH, provide one-on-one counselling to drivers to teach them safe driving behaviour. In summation, the company has focused on the task at hand and has embarked on the journey to improve road safety.

LOGISTICAL PRODUCTIVITY

The response to the implementation of GST was managed extremely well, all thanks to the extraordinary efforts of various functions involved in the planning and conceiving stages. This involved a major IT infrastructure revamp which resulted in all plants going live on the 1st day of GST implementation, with the shortest shutdown time being 12 hours.

On the cost front, several initiatives and a wide range of activities spanning across various stages of the shipping cycle were rolled out to improve service, efficiency and cost. In comparison to the previous year's fuel rates, the fuel rates of 2017 were 12% higher. This impacted Ambuja's road freights by ₹26 per ton. To ensure the sustainability and the improvement of its evacuation strategy, the company entered into a long-term tariff contract (3 years) with Indian Railways. The main objective of this policy was to ensure collaboration with Indian Railways in terms of long term freight revenue commitment and the assurance of the supply of wagons.

EXCELLING THROUGH DEEPER ENGAGEMENT WITH CUSTOMERS

GST was a big game changer for the company's business. The biggest challenge lay in deciding how to enable the company's large dealer and retailer network to adapt their systems without any setbacks. The company's marketing and finance teams displayed an exemplary 'I Can' spirit and helped the company's large network of dealers and retailers adapt quickly to the new business environment. The dedicated teams began working six months before the D-day to study the requirements of the GST systems and developed a simple training module to educate, prepare and enrol the dealer network into the new system. These 24x7 efforts helped uninterrupted business with the network. Their side effect however, was an even a bigger gain - the tremendous connect that Ambuja achieved with the network.

While the company's teams stood by the dealer network when it needed them the most, they also fully developed a digital platform with support from our parent, LafargeHolcim to engage with consumers and influencers uniformly across the length and breadth of the country. This platform is called "Brahmaand".

Twenty-Eight Ambuja Knowledge Centres (AKCs) in core markets have now begun to show their impact on the company's engagement with construction professionals. The knowledge platform is now digital and has multiplied its reach and interaction with this segment. It has lived up to its objective of becoming a digital platform that informs, interacts and engages.

PREMIUM PRODUCTS – SUSTAINABLE INNOVATIONS

Products Developed From Concrete Insights.
Ambuja's systematic approach of discovering latent customer needs, developing solutions and placing them in the market with a systematic go-to-market platform developed with support from our parent, LafargeHolcim has enabled the company to successfully launch two new products. It has also helped the company to take the Ambuja Plus Roof Special cement to all markets and see a 20% jump in its volumes.

The new products not only fulfil important customer needs but also help in significantly reducing carbon footprints.

AMBUJA CEMENT COMPOCEM

Cement that's lighter in colour, and on investment.
Compocem is a special type of cement produced by combining clinker, slag and fly ash. Apart

from early strength, it provides the advantage of being a lighter colour, both of which are preferred in Eastern India.

The company's teams along with the Global R&D centre of LH identified this latent need of strength and colour. Over the course of 18 months, these teams were able to convince the authorities to introduce regulatory codes for this type of cement. Simultaneously, the teams did a series of experiments and tests in their R&D to develop the ideal product. In February 2017, Ambuja Cement Compocem was finally launched in Eastern India. In less than a year, it clocked a volume of 1.14 lakh tonnes at an average 5% premium.

The real advantage of this cement, however, is its reduced requirement of clinker. Ambuja's Bhatapara plant, where Compocem is produced, has saved 10% clinker over and above the 30% savings that the company achieved through the usage of fly ash.

AMBUJA PLUS COOL WALLS

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

In the western and northern markets, Ambuja has developed and launched an alternative to traditional clay bricks. This alternative is a special type of lightweight concrete block. Lightweight blocks are not a new concept in mid and high-rise structures, but their use in individual houses in retail is virtually absent. Ambuja has developed special blocks which are not just lightweight, but also twice as strong as average clay bricks, with the added advantage of thermal insulation. The Ambuja Plus Cool Walls can keep houses cooler by a minimum of 5 degrees Centigrade.

Thus, Ambuja Plus Cool Wall is not only more environment friendly in production, but also in consumption as it reduces carbon footprints caused by electricity consumption in homes.

AMBUJA PLUS ROOF SPECIAL BRANDING

Our social media campaign response was through the roof.

To build lasting engagement with consumers, the team used social media platforms to launch an interactive campaign name Whatsup-on-your-Chhat. Two films were launched under this banner. Both received record breaking views. So far, more than 5,000 viewers have shared their own stories about their Chhats.

6. Cost developments.

On the cost front, the company witnessed significant pressure over the course of the year due to increments in various input costs. These increments were caused largely due to external factors and even ended up affecting many other industries. Crude prices, raw material costs and even fuel costs all saw a significant rise in prices. To limit the impact of such cost increases, the company significantly 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 9% of the total expenses. The cost of major raw materials increased by 8% over the previous year on a per tonne basis. This increase was largely because of an increase in the cost of fly ash, which saw scarcity in supply and as a result, the company had to source the same from farther distances. This was however mitigated through optimal sourcing and a judicious change in the gypsum mix, which helped the company to reduce the gypsum cost by 2% 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 24% of the total expenses. In comparison to 2016, 2017 saw a significant increase in fuel prices. This was because of an increase in the prices of coal and petcoke. As a result, the power and fuel cost in 2017 increased by more than 12% in comparison to 2016 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 captive power plants also increased by 1%. Furthermore, the company consumed 70% of the total power requirement from captive sources, including an increased usage of the Waste Heat Recovery System. As a result, this helped in limiting the power and fuel cost increase to just 12% over the previous year.

iii) Freight and forwarding costs constituted 31% of the total expenses. On a per tonne basis, the cost increased by 7%. This increase was largely due to an 11% increment in diesel prices in comparison to the previous year. To tackle this, the company took up various logistical initiatives such as the improvement in yard despatches by 1% and higher road direct despatches by 2% as compared to the previous year. 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 2% over the previous year, despite a 7% 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 on its 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 minimising 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.

7. Expansion projects and new investments.

While bolstering its market position in the industry, 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 Efficient and Environment-Friendly material handling systems and Sustainability initiatives, the company ensured the highest standards of safety with the help of the capital investments that kept flowing in over the course of the year.

Achievements at a glance.

i) To meet the new MoEF norms of Dust emission, the company has taken up the conversion of ESP to Bag House for all the cement mills at Ambujanagar with the help of an investment of ₹5.9 crores.

ii) To meet its limestone requirement, the company has invested ₹166 Cr to purchase approximately 150 Ha of land at Darlaghat, Ambujanagar, Rabiryawas and Bhatapura, all of which are mining areas.

iii) To strengthen the company's logistical capability as well as to extend its reach to customers, a new railway siding project is in progress at the Rabriyawas unit in Rajasthan. The total cost of the project is ₹200 Cr and the purchase of land for line laying is currently in progress. Other than the line laying work, however, 70% of the project is complete. As per current timelines, this project is due to be completed at the end of 2019.

Upcoming Capacities and Investments.

i) Ambuja recently acquired a new coal block at Gare-Palma sector IV/8 in Chhatisgarh at an e-auction of coal blocks conducted by the Government of India. This, along with the estimated investment of ₹363 Cr, will secure the company's long-term requirement of fuel. Site development activities as well as the MDO contract are already underway and the open cast mining operation is expected to commence in 2018.

ii) In order to secure the long-term limestone requirement of the Bhatapara plant, Ambuja acquired a new mining lease at the Maldi Mopar Mines. Environmental clearance as well as all other required approvals for the mining lease have already been acquired. 2 projects to operationalise this limestone mine are already in progress. They are as follows:
   - The opening of limestone mining with mining infrastructure at Maldi Mopar Mines at an approved cost of ₹120 Cr.
   - The installation of the Limestone Transportation System for the said mines at an approved cost of ₹85.0 Cr.

Detailed engineering and equipment ordering for both projects have been completed and the delivery of major equipment for the Limestone crushing system and Pipe Conveyor has already been completed. 70% of the civil construction work for the crusher system has already been completed and the remaining is currently underway. The company's target is to operationalise the mines by June 2019.

iii) The Board has approved the clinkerisation capacity addition of 1.7 million tonnes by setting up a green field clinkerisation unit at Marwar Mundwa in the Nagaur district of Rajasthan. To start with, ₹137.3 Cr. has been earmarked towards site development, infrastructure, engineering design, tendering and contracting of the project. A majority of the mining land is already in possession and the rest is under an advanced stage of acquisition. The company is also in the process of tying up with water sourcing bodies to meet the water requirement for construction and operations. The civil construction work for the ancillary building commenced from Q2 of 2017 and is in its finishing stages.

iv) In order to secure the long-term limestone requirement of the Ambujangar Plant in Gujarat, Ambuja acquired a new mining lease at Loadhva. Environmental clearance and other required approvals for the mining lease have already been obtained. Land acquisition is underway and the mining equipment that was ordered has been partially received.

v) Ambuja recently acquired a new mining lease at the Nandagaon Ekodi Mines to secure the long-term limestone requirement of the Maratha Cement works Plant in Chandrapur, Maharashtra. Environmental clearance and other required approvals for the mining are yet to be obtained.

vi) The company has taken up various projects to comply with the new environmental regulations issued by the Ministry of Environment and Forests (MoEF) related to dust, SOx & NOx emissions. The total investment is estimated at approximately ₹125 crores. Best technologies are being deployed as per LH global best practices.

8. The year 2018 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 policy measures of the Government and Central Bank.

Going forward, several significant developments in the recent period augur well for growth prospects. Firstly, capital raised from the primary capital market has increased significantly after several years of sluggish activity. The capital raised has been deployed to set up new projects and it will add to the demand in the short run and boost the growth potential of the economy over the medium-term. Secondly, the improvement in the ease of doing business ranking should help sustain foreign direct investment in the economy.

Lastly, large distressed borrowers are being referenced to the Insolvency and Bankruptcy Code (IBC) and public-sector banks are being recapitalised.

The upcoming year will be a year of growth, which has been rightly endorsed by the World Bank. According to the World Bank, when compared to other emerging economies, India has an "enormous growth potential" with the implementation of comprehensive reforms. Key indicators across the economy have shown positive rebounds and there is hope that the upward trajectory will continue in the new fiscal year to help achieve a GDP of +8% for the years to come.

9. Key areas of concern.

The organisation has a comprehensive framework for risk management covering strategic, operational, compliance, financial and sustainability related risks through the Business Risk Management (BRM) process.

Effective risk and crisis management are vital for planning and organisational flexibility. In line with the new regulatory requirements, the company's Risk Management Policy has been formally framed to identify and assess the key risk areas, as well as monitor and report compliance and effectiveness of the policy and procedure. A Risk Management Committee under the chairmanship of Mr. Rajendra Chitale, Independent Director, has also been constituted to oversee the risk management process in the company.

The BRM exercise at Ambuja is an event to analyse the company's overall risk exposure and support management in the strategic decision-making process. Therefore, it is an integral part of the management reporting cycle. Well-defined risk management mechanisms covering trend analysis, risk exposure, potential impact and risk mitigation process have been laid down by the company. The overall risk exposure is assessed from both top-down and bottom-up, which is then consolidated/calibrated to get a bird's eye view. Based on a detailed review, the following key risks have been identified:

REGULATORY CHANGES

As a responsive company, Ambuja believes that changes in regulations are essential for the growth of the nation and are also important for the protection of the environment and nature. Non-compliance to these regulations can lead to serious reputational and financial consequences, while compliance too comes at a cost – for innovation, alternatives, transformation, upgradation etc.

The company is taking up various projects across its operations to comply with the new Environmental Regulations issued by Ministry of Environment and Forest related to dust, SOx & NOx emissions. The total investment in these projects is estimated at approximately ₹150 crores.

SCARCITY OF NATURAL RESOURCES

The cement industry is dependent on natural resources and is highly energy intensive. Natural resources like limestone, coal and minerals are essential to produce cement. The industry needs to ensure the uninterrupted supply of these materials at an optimum cost and quality, however due to the depletion of reserves, this is becoming challenging. Volatility in the price of coal is also an area of concern for the industry. The quality of raw material additive and mineral gypsum is also depleting.

The MMDRA Act's new notification as of 12 January 2015, stated that the renewal of Mining Leases and grants of Mining Leases and Composite Licenses (PL-cum-ML) will happen through Auctions. For continuous operation, there is a need to secure limestone with a minimum reserve of ~50 years.

Securing people's interests before land.
Acquisition of land is also a challenge as people/communities living in and around the reserve area are aware of the requirement and therefore demand high prices. Apart from this, the land acquisition process is very complex and lengthy. To add to the challenges faced, Government waste/ grazing lands are not available for industrial use.

Staying connected with the latest in cyber security.
Today, nearly every aspect of our lives revolves around the cyber world. The internet is so widely used that protecting vital information in the cyber

world is not only a responsibility, but also a necessity to preserve our security. As Ambuja moves further towards digitisation and automation, cyber tools and utilities are sure to be further explored and exploited, which in a way is a necessity too from a growth perspective.

Almost all computers now come with some form of technical protection such as anti-virus software. Despite this, the chance of being compromised remains.

Effective cyber security requires protecting both hardware as well as software from misuse, interference, loss, unauthorised access, modification and disclosure and Ambuja, as a concerned and proactive organisation, has taken all effective measures to design its control mechanism and ensure that it is cyber secured.

Operating beyond energy cost fluctuations.

Energy security largely depends on the availability and cost. Risks associated with energy costs account for a significant part of the production costs of the company. Cement production requires a high level of energy consumption, especially for the kilning and grinding processes. The principal elements of these energy costs are fuel expenses and electricity expenses (which include amongst others, costs for coal, petroleum coke, natural gas and alternative fuels such as biomass).

Operations of the company are therefore expected to be significantly affected by any movements in energy prices. Energy prices may vary significantly in the future, largely due to market forces and other factors including changes in the regulatory regime.

The company seeks to protect itself from the risk of energy price inflation by diversifying its fuel sources, including the use of alternative fuels, and by negotiating long-term supply contracts.

Staying on track despite the logistical challenges posed by railways.

Rail is the ideal mode of transportation for the cement industry because it's environment friendly, cost efficient and faster when compared to road transport. It's also a preferred mode of transport for distances above 200 km. Rail transport, however, has always been plagued by the short supply of wagons, particularly during the peak period. Policies of the railways (giving preference to food and power companies) have been hampering the planned movement of cement to the consumption centres, thereby adversely impacting the production schedule and increasing the overall transportation cost.

10. Human Resources.

Developing our most important resource.
At Ambuja, the Human Resources function has made a paradigm shift from being a support function to a core and strategic business partner. With an outside-in perspective, HR offers unique information, insights and recommendations on talent (workforce and human capital), capability (culture, systems and processes) and leadership to deliver a competitive advantage.

In 2017, Ambuja continued in its efforts to provide innovative recruitment and retention practices, a congenial work environment, continuous learning opportunities to its employees, progressive and empowering HR policies and other welfare measures.

A big step towards the company's digital transformation was the introduction of the 'Workday' system, a cloud based global HR platform that was launched in the first quarter of 2017. The system provides the company with a state-of-the-art platform to support more agile, efficient and consistent HR processes across the Group.

The core values of the organisation emphasized the need to develop the human capital capable of taking the organisation to the path of high performance. The company focused a lot on multi –skilling and skill development of employees to ensure that workmen and employees get regular training (technical, sales and leadership) to perform better. This year, 60 participants graduated as certified People Coaches as part of Ambuja STEP–II. These participants underwent the enriching and fulfilling journey of mastering the art of coaching and equipping themselves with essential leadership skills and competencies, thereby nurturing and developing high potential talent by sponsoring their Executive Education Programs at premier Business Schools in India. Management Trainees who joined in 2017 went through a customized robust Induction program that lasted 6 months.

11. Health and Safety.

Our people return to a safer workplace, every day.
Ambuja retains its momentum of aiming for a higher and more robust Health & Safety performance across all its operations – at plants, warehouses as well as in transportation.

'We Care' has helped Ambuja to reduce onsite injuries from about 800 in 2013 to 191 in 2017. This is a significant cultural transformation and it shows that the company's operations are becoming safer with each passing day.

H&S Challenges.

The company has made significant efforts over the past couple of years to achieve the best in-class H&S culture and performance. In 2017, the company took a new initiative developed with continuous support from LH to strengthen 'We Care' by 'More boots on the Ground' – this means that the entire management team invested considerable time on shop floors to interact with employees and understand their Health & Safety concerns. Over 600 Visible Personal Commitment (VPCs) tours were conducted by the Top 60 Leaders. The following key achievements of 2017 reflect the success of this initiative.

Performance highlights	Focus on people engagement & Capability building	Road & Warehouse safety road map 2020 – Well on track
• Nalagarh & Cochin continued with **Zero Harm journey since last 13 months** • **63% reduction in LTI** (Onsite) • **45% reduction in Onsite Total injury** • **75% reduction in Critical incidents** • Implemented **" NO DDC No Riding"** policy for marketing personnel	• Increased focus on Visible Felt Leadership through VPC and 'Boots on Ground' programmes • Operations and H&S competency building through lead auditors and relevant H&S certified trainings • Safety booster programs for employees who need safety counselling/mentoring • Full day workshop on Road Safety conducted with Warehouse C&F and Secondary Transporters • Onsite Reward & Recognition for good safe behaviour extended to drivers and transporters to encourage improved Road Safety performance	• **55,972** drivers trained in DDC (Defense Driver Course) • **~90%** compliance on 7 point checklist for Warehouse • Full **DMC (Driver Management Centre)** started at all 16 locations • **IVMS Update:** *- 2127 INMS installed in outbound vehicles. 50% controlled fleet equipped with IVMS* *- 317 IVMS installed in Inbound vehicles. 97% controlled fleet equipped with IVMS* • **JRM (Journey Risk Management) – 144 route,** 15000+KM distance covered • **E Passport for drivers –** implemented at 7 locations (Bhatapara, Maratha, Darlaghat, Panvel, Dadri, Bhatinda & Sankrail) • Develop **100 Model** Warehouses in 2017. Assessment of the same completed. • Completed **Clean RSO/ Branch assessment** in 2017

As per the Health & Safety Improvement Plan (HSIP) 2017, the management team identified 7 strategic objectives to make a step change in the company's H&S Performance and culture. The team went on to achieve 100% of these objectives.

ROAD & WAREHOUSE SAFETY

On the road to a safer future.

Road and Warehouse safety continues to be a huge H&S challenge for the company. This year, the team directed maximum efforts towards the resolution of this problem. Driver Management Centers (DMCs) were set up at all 16 manufacturing plants. DMCs are counselling centres for changing driving behaviour and improving skills. A significant investment was made and 2,127 IVMS (In vehicle monitoring system) were installed in controlled trucks. The objective of installing IVMS is to monitor rash driving behaviour like excessive speeding, harsh braking, rapid acceleration and drowsy driving. This driving behaviour data is analysed at Transport Control Tower and used by DMCs to counsel the drivers. As of 2017, the company had trained over 55,000 drivers in Defensive Driving Course (DDC), rewarded over 1,450 drivers for their safe behaviour, covered over 14,000 drivers in health camps, conducted tool box talks for over 55,000 drivers, completed journey risk management for 136 routes that covered over 15,000 km, conducted 194 meetings with transporters and rewarded 35 transporter supervisors for their outstanding performance.

Stocking up on our knowledge of warehouse safety.

We Care – the company's Health & Safety transformation journey, was extended to sales, marketing and technical services functions.

The Model Warehouse program brought enormous changes. All these changes have implemented a mandatory 7-point checklist. Apart from this, all Model Warehouses are following header-and-stretcher stacking.

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

12. Leveraging digital technology to drive business value.

The world is online, so that's where our business is moving.

At Ambuja, we encourage innovative thinking and technology to provide great user experience to our customers, partners and employees. In association with our IT and shared service team, the company with active support from our parent LH has been investing time and effort in information technology solutions to demonstrate technological leadership and a way forward for others to follow.

Dealer Connect

Our vision is to provide unparalleled user experience to our channel partners by providing solutions that work seamlessly. The Dealer Connect and IHB apps are 2 such solutions that aim to fulfil this vision. Ambuja revamped its dealer portal to provide an enhanced experience and improved visibility of orders and financial & loyalty points to dealers. In order to enable their quick rollout to other group companies in the region, these products are being developed in an agile manner.

Robotics Process Automation

Discount, processing and disbursement is a monthly activity that takes significant effort and time as a result of which, teams stretch for 15-16 hours during the month-end period of 4-5 days. This process has been automated using Robotics Process Automation by the technology team in collaboration with our shared service centre to significantly reduce manual activity. This would increase the processing efficiency and reduce errors in processing.

Artificial Intelligence - Chatbots

The technology team explored and identified areas where a virtual assistant could handle frequent and rule-based activities. Right now, it can carry out conversation-based troubleshooting and in the future, it will be able to raise tickets and do other activities on the user's behalf. This has the potential to service customers as well as employees by reducing the dependency on helpdesks.

IT Security

In the ever-changing landscape of the threats posed by malware and spoofing attacks, it is important to ensure the awareness and readiness of people and their IT systems. Keeping this in mind, the IT security group undertook multiple initiatives during the last year to increase awareness and safeguard information and IT systems. Cyber war games were conducted for Executive Committee members and workshops were conducted for IA and IC teams. Proper communication was sent out to all IT users, educating them about risks of possible attacks and ways of safeguarding themselves from them. To improve information security, new tools were deployed to prevent malware attacks, and capability was added to application security and vulnerability assessment.

Shared Service Centre

Our in-house shared service centre, OneIndia BSC Pvt. Ltd, has completed 2 years of operations. It has stabilised processes that service all essential functions of Ambuja like Human Resources (HR), Finance, Procure to Pay and Marketing. The shared service centre has also helped to simplify complex business processes and strengthen governance and controls. It is now embarking on its journey of automation and robotics to enhance customer experience by reducing service delivery time and eliminating errors. This move will also help improve the quality and efficiency of its services.

13. Sustainability and environment.

Maintaining a constant green alert.

Ambuja is fully invested in its long-term objective of becoming the most sustainable company in the industry. With this vision in mind, the company's teams have consistently taken necessary measures and have even gone beyond their comfort zones to improve the level of sustainable performance.

2017 has witnessed some major initiatives by Ambuja on Sustainability parameters. Equally rewarding results have been seen in system improvement and process efficiency, the most significant one being the expansion of the scope and mandate of the Board level CSR committee, to be called the 'CSR and Sustainability Committee', by including sustainability performance initiatives, as well as their monitoring and review under its ambit.

Future sustainability goals for a brighter future.

It is imperative to monitor progress with respect to Corporate Sustainable Development targets and goals as defined by the company's parent - LafargeHolcim. At the LH group level, these targets have been called 'The Plan 2030, Building for Tomorrow'. They are in the four thrust areas of Climate Change, Circular Economy, Water & Nature, as well as People & Community. The performance results of 2017 show that Ambuja is progressing well towards its intermediate 2020 targets in the target areas mentioned above. The company is completely committed to stepping up its efforts year after year to not only meet, but also surpass these targets.

The first step in practicing Human Rights – learning about them.

To endorse the principles of the Sustainable Development Goals (SDGs) and Corporate Citizenship, Ambuja became a member of the "SDG Agenda 2030 South Asia," as part of the Global Reporting Initiative (GRI), India. Apart from this, to promote the UNGC principles on Human Rights, Ambuja rolled out an E-Learning module for all employees to help them understand the concept, implications, and significance of Human Rights in all operations.

The world needs less negativity. Especially when it comes to environmental impact.

As part of the company's product stewardship, the year 2017 saw the completion of Life Cycle

Placing a wall between our customers and the heat: Ambuja Plus Cool Walls.

Assessment (LCA) of Portland Pozzolana Cement (PPC) produced at all Ambuja plants as per ISO 14040 and ISO 14044 requirements. The "Cradle to Grave" approach was adopted, and the system boundary and geographical scope included materials (sourcing), upstream transport (inbound), manufacturing process, downstream transport (outbound), use and disposal. LCA outcomes were taken ahead to develop Environment Product Declaration (EPD) for PPC production at the company plants and scenario analysis in accordance with the Product Category Rules (PCR- UN CPC 3744) for cement.

This year also saw Ambuja become an active member of the Leaders for Nature (LfN) initiative of the International Union for Conservation of Nature (IUCN), India. In line with the group directives and as part of the 'Water & Nature' thrust area to create positive impact on biodiversity around its mining (quarry) locations, the company earlier conducted training to create biodiversity champions in the Biodiversity Indicator and Reporting System (BIRS) with the help of experts from IUCN and LH SD team. In 2017, Ambuja conducted the BIRS assessment for all active quarries. This will help in preparing the baseline performance and improvement plans for each location. Ambuja is also actively working towards the sensitization and capacity building of its employees on various aspects of biodiversity. For this, the teams are also developing an E-Learning course on Biodiversity, which is expected to be launched in early 2018.

Our people are staying positive 5.5 times over.

As per the assessment conducted in 2016, not only is Ambuja water positive by 5.5 times, but also all its integrated plants and most of the grinding units are water positive at the individual level. In addition to water positivity, Ambuja also stepped up to compensate the plastic consumption in the supply chain and recovered 57,811 tonnes of plastic waste from the market and became 1.83 times more plastic positive in the year 2017.

Over the course of the year, Ambuja focussed on encouraging circular economy usage, renewable energy and sustainable product solutions. A total of 3.32 lakh tonnes of Alternate Fuel & Raw Material (AFR) that yielded a Thermal Substitution Rate (TSR) of 4.22% were consumed. 7.28 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 66.45%. Ambuja also made a conscious effort towards substituting its power requirements and in the process, sourced 7.2% of total power generation through renewable sources. As part of its sustainable and innovative product solutions, Ambuja also encouraged the production of slag based 1.55 lakh metric tonnes of composite cement in 2017.

All these initiatives helped Ambuja to achieve the net specific CO2 emission throughout the year to the tune of 549.5 kg CO2/tonne of cement. All plants have continued with the practice of online reporting of ambient air quality and process emissions on a real-time basis on the websites of regulatory authorities for transparency and public information purposes.

Ambuja has taken all necessary measures to comply with the regulations, orders, and notifications issued during 2017.

PARTNERING FOR SUSTAINABILITY

Ambuja continued to collaborate with various stakeholders, industry associations and other organisations for the cause of environment protection and sustainability. The Global Cement Sustainability Initiative (CSI) forum and CEOs Round Table on Sustainable Development Goals (SDGs) by the World Business Council for Sustainable Development (WBCSD) were some of the prominent forums in which the company deliberated and contributed significantly. During the year CII, FICCI, Global Compact Network India (GCNI) and GIZ remained on the company's partnership radar. Besides policy dialogue, Ambuja participated in several training and awareness programmes conducted by these agencies on environment, health and safety and sustainability topics such as emissions control and monitoring, biodiversity management, corporate governance and collaborative stakeholder engagement to enhance the capability of managers for responsible corporate operations.

Raising sustainability standards to global levels by lowering our emissions.

Year on year, the company is focussed on improving its sustainability performance and eventually making it to the elite list of the Dow Jones Sustainability Index (DJSI) [Emerging Markets Index] in the Construction Materials (COM) industry. This exercise is a thorough introspection to benchmark Ambuja with the best practices of leading global companies in this sector and to implement the necessary measures to fill the gaps. Ambuja's 2017 DJSI score improved significantly, placing it at the 7th position in the DJSI Global Ranking in the COM category. Regarding the Climate Change Disclosure (CDM) project, the company received a B+ rating for the second time in a row.

SUSTAINABILITY REPORTING

Global green standards.

In 2017, Ambuja published its 10th Annual Corporate Sustainability Development Report on the triple bottom line performance of the year 2016. Ambuja displayed its stewardship in aligning with the latest guidelines by preparing the report as per 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 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.

Rated platinum for green initiatives.

In the CII Sustainability Plus rating of the NSE listed companies, Ambuja Cement was labelled with the highest 'Platinum' rating. This rating recognises companies that have incorporated Sustainability in their core operations and corporate planning, thereby providing an inspiring example for other corporations.

14. Corporate Social Responsibility (CSR).

Improving lives, holistically.
ACF undertakes programmes in communities with an area approach model, with region specific strategies developed for each location. The projects are initiated at each location by taking the local issues, as well as the people's perceived needs into account. People's participation is ensured throughout the project initiation, implementation and handover phases. This ensures sustainability. Further, ACF works in coordination with a variety of agencies which would affect all possible modalities of the project. The following thrust areas have evolved because of these processes – water resource management, agricultural livelihoods, skill and entrepreneurship development, community health and sanitation, women empowerment and education.

ACF was established at the location of Ambuja's founding plant at Kodinar, and as ACL spread its footprint across the country, ACF followed its example by reaching 22 locations across 11 states. In 2013 when the New Companies Act was enforced with the Corporate Social Responsibility mandate, the teams of the company realised that through ACF, Ambuja was not just in compliance but also beyond it. As an endorsement of the company's genuineness and distinction, many new corporations are now collaborating with ACF for the implementation of their CSR.

STAKEHOLDER ENGAGEMENT

At ACL, the teams recognise the importance of their stakeholders in the smooth functioning of their business. The company has created platforms to facilitate communications with its stakeholders and to review the team's social performance. These forums give the teams the opportunity to discuss the stakeholders' concerns and perceptions and develop a proactive plan of action for enhanced business sustainability. *Community Advisory Panels (CAP), Social Engagement Scorecard (SES) and Site-Specific Impact Assessment (SSIA)* are various forums and exercises conducted on a regular basis across all sites to present a platform for raising concerns, reviewing the company's CSR work and the current perceptions of the company. The findings from these forums and exercises are reasonably acted upon through systematic action plans that feed into the company's Annual Community Engagement Plan and cyclical Stakeholder Engagement Plan. The teams are proud that over the years, the community members of their CAP have become ambassadors of the plant in their respective communities.

WATER RESOURCE MANAGEMENT

Some of ACL's plant locations exist in areas where water is scarce and remains a primary concern for both the business and the community. The Water Resource Management programme has been implemented across locations to address the specific needs of the geography. The programme was initiated with activities related to water harvesting and after achieving substantial milestones with respect to the availability of ground water, the ACL team felt a need to cover other aspects such as access to safe drinking water.

The greatest harvest for a village? Water.
Further, considering the extent to which water is used for irrigation by the community, water efficient technologies in irrigation were introduced. Community level campaigns have been conducted to address people's attitude towards water usage. This has helped in maintaining the sustainable availability of water for drinking and irrigation. Through the construction of RRWHS, installing drinking water plants in some villages and collectivising people to participate in drinking water distribution schemes within their villages, the company has enabled its neighbours to have access to drinking water, and that too right at their doorstep.

Any Time Water.

The ease created by the ready availability of water has led to a new realisation about the importance of measurement and conservation when it comes to water consumption. An example of this is the Reverse Osmosis ATMs being installed in Kukudsath village in Chandrapur, thereby providing potable water to the community at subsidised rates. This facility has been installed in a manner that helps its consumers measure and be mindful of their usage.

An investment that keeps flowing.

In the past 25 years, ACL has come a long way when it comes to water. The team began measuring the impact of its work in 2012 and in 2017 the team continued to receive validation for it. The DVN-GL even went on to award ACL 5.5 times water positivity in 2017. This year, ACL was yet again awarded the CII Award for Excellence in Water Management Beyond the Fence. Further, an external study to measure the Social Return on Investment for the team's Watershed Development project at Darlaghat found that for every INR 1 million invested by ACL, there has been a resultant social return of INR 9 million. This is in succession to the SROI results of 2016 of INR 13 million at Kodinar and INR 5 million at Rabriyawas respectively for every INR 1 million invested.

Seeding hope for our farmers.

Through the Agricultural Livelihoods programme, the team worked at bridging the existing gap in farmers' traditional farm practices through capacity building on the preferred package of practices, introduction of new technologies and creating market linkages. Thus, the team aims to extend ACL's vision to make farmers competent business people by helping them reduce agrarian inputs, improve productivity through capacity building in package of practices, collectivize them to build bargaining power, establish market linkages and make agriculture a profitable and a sustainable venture for rural India.

In 2017, the team reached out to over 1,30,000 farmers through various programmes such as Better Cotton Initiative, System of Rice Intensification, Sustainable Spices Initiative, Organic Farming, Wadi Development (Horticulture), Fruit and Vegetable Cultivation, Crop Diversification and Salinity Ingress Mitigation. The team's BCI programme alone grew exponentially in the year 2017. The programme began with 2,500 farmers over 2,900 hectares in 2010-2011 and at the end of 2017 reached 81,380 farmers over 1.28 lakh hectares. It is worth mentioning that the programme has seen a growth of about 85% in the previous year itself, rising from about 44,000 farmers in 2016.

Making off-seasons also productive.

To build climate resilience and alternatives to core agrarian activities, allied activities such as animal husbandry and aquaculture are being promoted on a large scale. Farmers are collectivised in groups to build agrarian supply chains to procure inputs and market produce. Together, ACF has established 17 FPOs and their total turnover in the year 2016-17 was about INR 21 crore. In a true fulfilment of stakeholder engagement, farmers at Ropar, Rabriyawas and Chandrapur have been supplying biomass to ACL as AFR through the FPOs.

SKILL AND ENTREPRENEURSHIP DEVELOPMENT

Today, ACL has grown from 1 to 22 SEDI centres and has trained over 36,200 rural youth across India. SEDI provides skill training across 35 sectors and has a placement record of 72%. ACF has also supported SEDI graduates in starting their own businesses. Till date, 2915 enterprises have been formed.

Gaining a skill is lifelong security.

Through SEDI, the team is consistently mobilising young women to join training for male dominated trades. With several successful women professionals, the team has broken gender stereotypes by enrolling more females in courses like welding, electrical, security guard, etc. Another aspect is that SEDI has been focusing on developing the skills of the physically challenged youth in the community. Till date, SEDI has trained 150 physically challenged youth, out of which almost 90% are now gainfully employed.

Constructing a better life for masons.

Coming to the construction sector, masons are the predominant consumers of Ambuja Cement, yet they remain the most marginalised and unrecognised stakeholders. Through SEDI, ACF has tied up with the NSDC for the Recognition of Prior Learning for masons. As the construction sector is expected to grow more, the team is facilitating the government's agenda to assess and certify existing masons in the industry. This would help them to leverage their skills better and receive a higher pay scale as compared to their non-certified colleagues. In 2017 alone, 8,838 such masons were certified across locations.

COMMUNITY HEALTH AND SANITATION

A prosperous business thrives only in a healthy community. ACF is actively working on clinical, preventive and promotive healthcare through mobile medicare units, community health clinics, diagnostic centres and specialised health camps. The health projects are implemented in close coordination with the Public Health Departments, panchayats and Village Development Committees. They are led on the ground by a cadre of voluntary health workers in the villages called 'sakhis'.

Cleanliness is next to healthiness.

Over the past few decades, the nation has been grappling with the burden of Non-Communicable Diseases. These have emerged to be the biggest killers of not only urban India, but also rural. ACF has begun to collaborate with the government and corporations to create awareness and knowledge about the main NCDs: Hypertension, Diabetes and Cancer. ACF's programmes of Maternal and Child Health, Malnutrition, Adolescent Health, and the creation of Open Defecation Free villages are all building blocks towards leading a healthier life.

WOMEN EMPOWERMENT

As a part of the Women Empowerment programme, ACF has formed 1975 SHGs with 22,835 members and a total corpus of INR 7.7 crore. At various locations these SHGs have come together to federate themselves into 5 Women Federations. It is with pride that women carry ACF's banner for all its programmes in their communities.

AMBUJA MANOVIKAS KENDRA

The only thing our special needs children lacked were opportunities.

Ambuja Manovikas Kendra (AMK) is a 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 currently being attended by 90 students and has 11 under home based rehabilitation. In the year 2017, for the first time, 6 students from AMK attempted the NIOS Standard 10th exam with independent coaching from the AMK teachers. With great endurance, these special children accomplished the task and all 6 of them passed the exam with a First Class in the very first attempt. A step further into rehabilitation of Specially Abled students, this year AMK inaugurated its Skill Development Centre. The centre provides training in Bakery, Pottery and Artificial Jewellery making to about 20 students. Through this skill development centre, the team aims to make these special children skilled and confident enough to work in marketable trades and with the team's facilitation of market linkages, become positive contributors to society.

ACF CELEBRATES 25 YEARS

We've come a long way in 25 Years. Right into the rural heartland.

The team embraces rural development and is invested in the community's growth with as much passion as it has for its business. 25 years of incessant work with communities has yielded encouraging results that are well reflected through ACF's growth from 14 villages in 1993 to over 950 villages till date. Currently, ACF reaches out to around 2 million people each year in remote rural geographies. With its mission to energise, involve and enable communities to realise their potential, ACF has strived to achieve a sustainable growth focusing on social, economic and demonstrative well-being of its hosts. Corporate Social Responsibility for Ambuja is not only a matter of compliance, but also a matter of real engagement. Ambuja believes that it is not just in the business of making cement, but in a much bigger business—the business of nation building.

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 I to this Report.

15. 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 given as Annexure II to this Report.

Number of Board Meetings.

The Board of Directors met 7 (seven) times in the year 2017. The details of the board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

Composition of Audit Committee.

The Board has constituted the Audit Committee which comprises of Mr. Rajendra Chitale as the Chairman and Mr. Nasser Munjee, 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 **http://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 adhers 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 for the transactions which are repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The statement is supported by the certification from the MD & CEO and the CFO. All related party transactions are subject to half-yearly independent reviews by a reputed accounting firm to establish compliance with the requirements of Arms' Length Pricing.

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

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

Members of the Company had given their consent through postal ballot conducted in the year 2013 for entering into the Technology and Know-how Agreement with Holcim Technology Ltd, a group company for a period of five years w.e.f. 1st January, 2013. The fee payable for the various services and know-how availed by the Company pursuant to the said Agreement was initially approved @1% of the net sales of the Company for each financial year for two years and was thereafter retained for the remaining period of three years.

It is proposed to renew the said Technology and Know-how Agreement for a further period of three years w.e.f. 1st January, 2018 on the same terms & conditions except for the payment of fee which has been proposed @1% of the net sales of the Company for each financial year or at such rate as may be determined by the Competent Authorities of India and Switzerland under the Bilateral Advance Pricing Agreement (BAPA). Applications have been filed by the Company under BAPA to confirm the Arm's Length rate for payment under TKH Agreement which applications are still pending with the concerned authorities.

Members' attention is drawn to the Resolution proposing the approval for the renewal of Technology and Know-how Agreement as aforesaid. As the transaction is a related party transaction, all related parties shall abstain from voting on the resolution. The Directors recommend the resolution set out in item No.9 of the Notice convening the Annual General Meeting.

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, 1 (one) complaint was received by the company (under its CSR arm, ACF) and the same was investigated in accordance with the procedure laid down under the said Act and the same stands concluded.
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.

16. 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 auditors confirming compliance is annexed and forms part of this Annual Report.

17. Internal audits and controls.

A strong internal control framework is an important part of operations and corporate governance. It is the overall responsibility of the Directors of the listed company to ensure that the company has laid down internal financial controls and that these controls are adequate and are operating effectively.

Simplifying the complexities.

The company has already developed and implemented a robust system and framework of internal controls over financial reporting commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance related to financial and operational information, to comply with the applicable laws and to safeguard the assets of the company. This framework contains Entity Level Controls as well as Business Process Controls. The operating effectiveness and adequacy of these controls are periodically tested and validated. The internal control systems are evaluated with respect to their compliance with operating systems and policies of the company and accounting procedures across all locations of the company.

Ambuja's Robust Risk Mitigation System.

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 and independence. The scope and authority of the IA function is defined in the Internal Audit Charter approved by the Audit Committee. Every year, the IA department conducts an Internal Audit Risk Assessment which serves as the basis for the preparation of the Annual Internal Audit plan. This risk-based annual internal audit plan is duly approved by the Audit Committee. The IA department comprises of Internal Auditors along with Subject Matter Experts (SMEs) and IT System Audit Specialists that carry out risk-based audits across all locations, thereby enabling the identification of areas where risk management processes may need to be strengthened. Significant audit observations and corrective action plans are presented to the Audit Committee.

The IA department provides independent assurance to the Board, the Audit Committee, the senior management and the regulators regarding the effectiveness of the company's governance and controls designed for risk mitigation to enhance the company's compliance and control. It assesses opportunities for improvement in business processes and follows up on the implementation of corrective actions and improvements in these processes after they have been reviewed by the Audit Committee.

Over the years, the formal and independent evaluation of internal controls and initiatives for remediation of deficiencies by the IA department has resulted in a robust framework for internal controls. This formalised system of internal control and risk management framework facilitates the effective compliance of Section 138 of the Companies Act 2013 and relevant statutes applicable to the LafargeHolcim group.

18. 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 under the Chairmanship of Mr. B.L. Taparia, Director. 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 Annual Report. The Ethical View Reporting Policy is available on the company website: **www.ambujacement.com**

CODE OF CONDUCT

The company has laid down a robust Code of Business Conduct and Ethics, which is based on the principles of ethics, integrity and transparency. More details about the Code are 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 'ABCD' 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, employee training and awareness workshops were conducted for relevant employees across the organisation during 2017. As part of the

continuous education of employees on 'ABCD', a mandatory face to face workshop was conducted online through a web-based application tool that was used by approximately 3,000 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.

19. Board of Directors and key managerial personnel.

Cessation.

Mr. Eric Olsen (DIN 07238383), Director (representing LafargeHolcim) resigned from the Board w.e.f. 21st september, 2017 upon his stepping down as the CEO of LafargeHolcim Ltd.

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

Retirement by rotation.

In accordance with the provisions of Section 152 and Article 147 of the Articles of Association of the company, **Mr. Christof Hassig (DIN 01680305)** and **Mr. Martin Kriegner (DIN 00077715)** 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. Jan Jenisch (DIN:07957196)

Mr. Jan Jenisch has been appointed as an Additional Director (Non-Independent) under section 161 of the Companies Act 2013, w.e.f. 24th October 2017. Consequent to the stepping down of Mr. Eric Olsen, Mr. Jan Jenisch has also been appointed as the Vice-Chairman of the Board w.e.f. 24th October 2017.

Mr. Jan Jenisch is currently the CEO of LafargeHolcim Ltd. He is an MBA from the University of Fribourg, Switzerland. Prior to joining LafargeHolcim, Mr. Jan Jenisch worked with Sika AG, which develops and manufactures systems and products for building materials and automotive sectors. He worked in various management functions and countries and was appointed to the Management Board in 2004 as Head of the Industry Division and served as President, Asia Pacific from 2007 to 2012. Under his leadership, Sika AG expanded into new markets and set new standards of performance in sales and profitability. He also served as the Chief Executive Officer of Sika AG from 2012 until 2017.

Mr. Roland Kohler (DIN:08069722)

Mr. Roland Kohler has been appointed as an Additional Director (Non-Independent) under section 161 of the Companies Act, 2013, w.e.f. 20th February, 2018.

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

As Additional Directors, Mr. Jan Jenisch and Mr. Roland Kohler shall hold the office up to the date of the ensuing Annual General Meeting. The Board of Directors recommends their appointment.

Further details about the Directors is given in the Corporate Governance Report as well as in the Notice of the ensuing Annual General Meeting being sent to the shareholders along with the Annual Report.

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 as 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 IV.**

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 was carried out internally. Each Board member submitted a detailed evaluation form 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 and impact of individual Directors 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 8th December 2017 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 2018.

Remuneration policy.

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

Induction and familiarisation programme for Directors.

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

20. 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 2017, and of the statement of Profit and Loss and cash flow of the company for the period ended 31st December 2017.
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
vi) proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and are operating effectively.

21. Auditors & Auditors' Report.

Statutory Audit.

At the 34th Annual General Meeting held on 31st March 2017, M/s. Deloitte Haskins & Sells LLP (ICAI Firm Registration No.117366W/W-100018), Chartered Accountants, were appointed as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting, subject to ratification of their appointment by members at every subsequent AGM. M/s. Deloitte Haskins & Sells LLP has furnished a certificate of its eligibility and consent under section 139 and 141 of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 for their appointment as Auditors of the company for the financial year 2018. 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 Board, based on the recommendation of the Audit Committee, recommends the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the company for the fiscal 2018.

The Auditors' Report for financial year 2017 on the financial statement of the company forms part of this Annual Report.

Explanations or comments by the Board on "emphasis of matters" made - (i) by the statutory auditor in his report

- Order passed by the Competition Commission of India – refer to section "Significant and material orders passed by courts or regulators".

- During the year that ended 31st December 2016, pursuant to Scheme of Amalgamation, Holcim (India) Private Limited has been amalgamated with the Company with effect from the appointed date 1st April 2013 and was accounted for in accordance with then applicable accounting standards as per the scheme.

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 2018 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 2016 was filed with the Ministry of Corporate Affairs on 16th May, 2017 vide SRN No.G43667930.

Secretarial Audit.

The Board had appointed M/s 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 2018.

The company has received consent from M/s. Rathi & Associates to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st December 2018. The report of the Secretarial Auditor for financial year 2017 is annexed to this report as Annexure V. 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.

22. 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.

23. Significant and material orders passed by the courts or regulators.

Order Passed by the Competition Commission of India (CCI).

i) Acting upon the complaint filed by the Builders Association of India (BAI), the Competition Commission of India (CCI) held the Cement Manufacturers Association (CMA) with its member cement companies, including the company guilty of violating provisions of the Competition Act, and imposed a penalty of ₹1,163.91 crore vide Order dated 20.06.2012. On Appeal, the Competition Appellate Tribunal (COMPAT) remanded the matter back to CCI for fresh hearing vide Order dated 11th December 2015.

CCI heard the matter afresh and vide its Order dated 31st August 2016 once again held CMA and its member-cement companies including the company guilty and imposed the same amount of penalty as levied in its previous Order. The company immediately filed an appeal before the COMPAT and then obtained a stay against the operation of the said order, subject to the deposit of a 10% penalty amount which was forthwith complied by the company.

By Government Notification, all cases pending before COMPAT were transferred to the National Company Law Appellate Tribunal (NCLAT) and, as such, the Appeal was heard by NCLAT and the Order is kept reserved.

ii) State of Haryana had filed a Complaint before the Competition Commission of India (CCI) alleging that Cement Companies including Ambuja Cements Limited (ACL) had indulged in anti-competitive practices while participating in Tender for supply of Cement to Government department. CCI conducted inquiry and vide order dated January 19, 2017, held the Cement

Companies guilty of breaching provisions of the Competition law and accordingly imposed penalty at the rate of 0.3% of the average turnover of the last 3 financial years (2012-13, 2013-14 & 2014-15). In case of ACL, the penalty amounts to Rs.29.84 Crores.

ACL has filed Appeal against CCI's Order before the Competition Appellate Tribunal (COMPAT) and obtained interim relief/stay against the operation of CCI's Order in the meanwhile. Pursuant to merger of COMPAT with the National Company Law Appellate Tribunal (NCLAT), the Appeal is now being heard by 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.

24. 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 12, 29 and 45 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. Despite Interest Rates coming down in calendar year 2017, a proactive management of portfolio helped improve treasury yield performance.

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

25. Transfer of unclaimed dividend and unclaimed shares.

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

26. 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 VI** and forms part of this report.

27. Particulars of employees.

There were 4992 permanent employees of the company as of 31st December 2017. 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 VII**.

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.

28. Direct subsidiaries, joint ventures and joint operations.

As of 31st December 2017, 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**

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 to this report at **Annexure VIII.**

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 and its subsidiaries amounted to ₹1516.36 crore for 2017 as compared to ₹1105.08 crores for 2016.

30. 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.

31. Other disclosures.

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

- Details relating to deposits that are covered under Chapter V of the Act
- The issue of equity shares with differential rights as to dividend, voting or otherwise
- The issue of shares to the employees of the company under any scheme (sweat equity or stock options)
- 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 benefit 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

32. Caution statement.

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

33. Acknowledgements.

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

For and on behalf of the Board of
Ambuja Cements Limited

N. S. Sekhsaria
Chairman & Principal Founder

Mumbai
4th May, 2018

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 program 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 http://www.ambujacement.com/Upload/PDF/CSR-Policy-2014.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	₹ 1386.92 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 27.74 Crores
5	Actual amount spent on CSR during the financial year	₹ 58.79 Crores. i.e. 4% of the Average Net Profit of the last 3 years.

(₹ in Crores)

6	Expenditure Statement for the year 2017 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 B) Osara - District Mandsaur **6. Maharashtra** 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	16.00	15.59	15.59	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		20.90	19.81	19.81	Through Ambuja Cement Foundation and 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 Foeticide, Women Self-Help Groups, Federation		2.00	1.60	1.60	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		6.28	6.06	6.06	Through Ambuja Cement Foundation
e	Rural development projects.	Rural Infrastructure Project		11.09	9.20	9.20	Through Ambuja Cement Foundation

6	Expenditure Statement for the year 2017 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	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	Protection of national heritage, art and culture		5.00	5.00	5.00	Directly
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		0.15	0.15	0.15	Directly
		Total		**61.42**	**57.41**	**57.41**	
	Overheads	Overheads		1.38	1.38	1.38	
	Cumulative expenditure up to the reporting period			**62.80**	**58.79**	**58.79**	
7	Responsibility Statement of the CSR Committee	The CSR & Sustainability Committee affirms that the implementation and monitoring of CSR Policy is in compliance with CSR Policy and Objectives of the Company.					

On behalf of the CSR & Sustainability Committee

Sd/-
N. S. Sekhsaria
Chairman - CSR & Sustainability Committee
(DIN : 00276351)

Sd/-
Ajay Kapur
Managing Director & CEO
(DIN : 03096416)

Mumbai, 4th May, 2018

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st December 2017

[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 – 400 083. **Telephone:** (022) 4918 6000 **Fax Number:** (022) 4918 6060 **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 Clinker and Cement	Group – 239; Class:2394 Sub-Class:23941 & 23942	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
5.	Dirk India Private Limited Plot no. 10, India House, Gitanjali Colony, Indira Nagar, Mumbai Agra Road, Nashik - 422009	U40102MH2000PTC126812	Subsidiary	100	2(87)
6.	ACC Limited Cement House, 121 Maharshi Karve Road, Mumbai - 400020	L26940MH1936PLC002515	Subsidiary	50.05	2(87)
7.	Counto Microfine Products Private Limited 2nd Floor, Velho Building, Opp. Municipal 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(6)

Note : OneIndia BSC Private Limited is a JV between the Company and its subsidiary, ACC Ltd and hence considered as "Subsidiary". Wardha Vaalley Coal Field Private Limited is a "Joint Operation" as per the 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**
B. Public Shareholding									
1. Institutions									
Mutual Funds / UTI	37770031	98145	37868176	1.91	75199557	95055	75294612	3.80	1.89
Banks/FI	30346043	17647	30363690	1.53	30196829	9708	30206537	1.52	(0.01)
Central Govt.	777352	-	777352	0.04	2756344	0	2756344	0.14	0.1
Insurance Co.	142158728	13500	142172228	7.16	130932579	13500	130946079	6.60	(0.56)
FII's	141136545	64275	141200820	7.11	2111772	62775	2174547	0.11	(7.00)
Others- Foreign Portfolio Corp.	223817181	-	223817181	11.27	337326248	0	337326248	16.99	5.72
Sub-Total B (1)	**576005880**	**193567**	**576199447**	**29.02**	**578523329**	**181038**	**578704367**	**29.14**	**(0.13)**
2. Non-Institution									
a. Body Corp.	23432019	-	23432019	1.18	25774677	30000	25804677	1.30	0.12

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh.	73761179	13645865	87407044	4.40	69153709	11810382	80964091	4.08	(0.32)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8669236	325710	8994946	0.45	8118370	325710	8444080	0.43	(0.03)
c. Others									
i. Non Resident Indians (Repatriation)	5721035	4713856	10434891	0.53	5358163	4013922	9372085	0.47	(0.06)
ii. Non Resident Indians (Non-Repatriation)	1800345	201912	2002257	0.10	1913038	127648	2040686	0.10	0
iii. Foreign Nationals	3950	-	3950	0.00	3850	0	3850	0.00	0
iv. OCB	3750	9120	12870	0.00	3750	9140	12890	0.00	0
v. Trust	7690332	-	7690332	0.39	12425192	0	12425192	0.63	0.24
vi. Foreign Company	722525	-	722525	0.04	709717	0	709717	0.04	0
Sub Total B (2)	**121804371**	**18896463**	**140700834**	**7.09**	**123460466**	**16316802**	**139777268**	**7.04**	**(0.05)**
Total Public Shareholding (B1 + B2)	**697810251**	**19090030**	**716900281**	**36.10**	**701983795**	**16497840**	**718481635**	**36.18**	**0.08**
Total (A) + (B)	**195096612**	**19090030**	**1970056642**	**99.21**	**1955140156**	**16497840**	**1971637996**	**99.29**	**0.08**
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	15576587	12000	15588587	0.79	13995233	12000	14007233	0.71	(0.08)
Grand Total (A+B+C)	**1966543199**	**19102030**	**1985645229**	**100.00**	**1969135389**	**16509840**	**1985645229**	**100.00**	**0**

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**	142168478	7.16	01/01/2017			142168478	7.16
				27/01/2017	100000	TRANSFER	142268478	7.16
				10/02/2017	-4450	TRANSFER	142264028	7.16
				07/04/2017	1453535	TRANSFER	143717563	7.24
				14/04/2017	160398	TRANSFER	143877961	7.25
				21/04/2017	142284	TRANSFER	144020245	7.25
				28/04/2017	322084	TRANSFER	144342329	7.27
				12/05/2017	-100000	TRANSFER	144242329	7.26
				19/05/2017	-300000	TRANSFER	143942329	7.25
				03/11/2017	-1489967	TRANSFER	142452362	7.17
				10/11/2017	-2138920	TRANSFER	140313442	7.07
				17/11/2017	-3226346	TRANSFER	137087096	6.90
				24/11/2017	-4755784	TRANSFER	132331312	6.66
				01/12/2017	-1388983	TRANSFER	130942329	6.59
		Total as on 31.12.2017					**130942329**	**6.59**
2.	**EUROPACIFIC GROWTH FUND**	46740000	2.35	01/01/2017			46740000	2.35
				06/06/2017	5450000	TRANSFER	52190000	2.63
		Total as on 31.12.2017					**52190000**	**2.63**
3.	**GOVERNMENT OF SINGAPORE**	11612338	0.58	01/01/2017			11612338	0.58
				06/01/2017	367705	TRANSFER	11980043	0.77
				20/01/2017	-22307	TRANSFER	11957736	0.77
				27/01/2017	145055	TRANSFER	12102791	0.78
				03/02/2017	-355371	TRANSFER	11747420	0.76
				10/02/2017	-146278	TRANSFER	11601142	0.75
				03/03/2017	-50040	TRANSFER	11551102	0.74
				10/03/2017	-1947	TRANSFER	11549155	0.74
				31/03/2017	-190865	TRANSFER	11358290	0.73
				07/04/2017	-17667	TRANSFER	11340623	0.73
				14/04/2017	-6285	TRANSFER	11334338	0.73
				21/04/2017	-6267	TRANSFER	11328071	0.73
				28/04/2017	-2760	TRANSFER	11325311	0.73
				05/05/2017	-148191	TRANSFER	11177120	0.72
				26/05/2017	-7351	TRANSFER	11169769	0.72
				02/06/2017	624126	TRANSFER	11793895	0.76
				09/06/2017	27568	TRANSFER	11821463	0.76
				23/06/2017	-6722	TRANSFER	11814741	0.76
				30/06/2017	849975	TRANSFER	12664716	0.82
				07/07/2017	3913062	TRANSFER	16577778	1.07
				21/07/2017	62720	TRANSFER	16640498	1.07
				28/07/2017	607451	TRANSFER	17247949	1.11
				18/08/2017	-7782	TRANSFER	17240167	1.11
				01/09/2017	-199676	TRANSFER	17040491	1.10
				08/09/2017	-320684	TRANSFER	16719807	0.84
				15/09/2017	19895	TRANSFER	16739702	0.84
				06/10/2017	43856	TRANSFER	16783558	0.85
				13/10/2017	1611375	TRANSFER	18394933	0.93
				03/11/2017	469028	TRANSFER	18863961	0.95
				10/11/2017	1313019	TRANSFER	20176980	1.02
				17/11/2017	2325189	TRANSFER	22502169	1.13
				24/11/2017	402333	TRANSFER	22904502	1.15
				01/12/2017	-260655	TRANSFER	22643847	1.14
				08/12/2017	-116028	TRANSFER	22527819	1.13
		Total as on 31.12.2017					**22527819**	**1.13**

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
4.	ABERDEEN GLOBAL INDIAN EQUITY LIMITED	30675787	1.54	01/01/2017			30675787	1.54
				07/04/17	-1816181	TRANSFER	28859606	1.45
				14/04/17	-183819	TRANSFER	28675787	1.44
				21/04/17	-1890553	TRANSFER	26785234	1.35
				28/04/17	-509447	TRANSFER	26275787	1.32
				14/07/17	-1250000	TRANSFER	25025787	1.26
				28/07/17	-685953	TRANSFER	24339834	1.23
				04/08/17	-714047	TRANSFER	23625787	1.19
				11/08/17	-293378	TRANSFER	23332409	1.18
				18/08/17	-1006622	TRANSFER	22325787	1.12
				22/09/17	-1100000	TRANSFER	21225787	1.07
				29/09/17	-600000	TRANSFER	20625787	1.04
				08/12/17	-860000	TRANSFER	19765787	1.00
		Total as on 31.12.2017					**19765787**	**1.00**
5.	ABU DHABI INVESTMENT AUTHORITY - JHELUM	18250065	0.92	01/01/2017			18250065	0.92
				13/01/2017	-20513	TRANSFER	18229552	0.92
				20/01/2017	-6593	TRANSFER	18222959	0.92
				27/01/2017	-10958	TRANSFER	18212001	0.92
				03/02/2017	-4353	TRANSFER	18207648	0.92
				10/02/2017	-6929	TRANSFER	18200719	0.92
				17/02/2017	-17039	TRANSFER	18183680	0.92
				03/03/2017	-53100	TRANSFER	18130580	0.91
				28/04/2017	600000	TRANSFER	18730580	0.94
				19/05/2017	-302444	TRANSFER	18428136	0.93
				26/05/2017	-548766	TRANSFER	17879370	0.90
				02/06/2017	-98248	TRANSFER	17781122	0.90
				16/06/2017	-431646	TRANSFER	17349476	0.87
				23/06/2017	-1111214	TRANSFER	16238262	0.82
				30/06/2017	-165064	TRANSFER	16073198	0.81
				11/08/2017	408000	TRANSFER	16481198	0.83
				08/09/2017	8545	TRANSFER	16489743	0.83
				22/09/2017	-599184	TRANSFER	15890559	0.80
				29/09/2017	-528687	TRANSFER	15361872	0.77
				06/10/2017	-425083	TRANSFER	14936789	0.75
				17/11/2017	-238458	TRANSFER	14698331	0.74
				24/11/2017	-423922	TRANSFER	14274409	0.72
				01/12/2017	-9090	TRANSFER	14265319	0.72
		Total as on 31.12.2017					**14265319**	**0.72**
6.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	12254382	0.62	01/01/2017			12254382	0.62
				06/01/2017	36312	TRANSFER	12290694	0.62
				13/01/2017	77163	TRANSFER	12367857	0.62
				20/01/2017	36312	TRANSFER	12404169	0.62
				03/02/2017	108936	TRANSFER	12513105	0.63
				17/02/2017	30260	TRANSFER	12543365	0.63
				24/03/2017	65790	TRANSFER	12609155	0.64
				31/03/2017	64328	TRANSFER	12673483	0.64
				07/04/2017	131447	TRANSFER	12804930	0.64
				28/04/2017	14620	TRANSFER	12819550	0.65
				05/05/2017	116960	TRANSFER	12936510	0.65
				12/05/2017	36550	TRANSFER	12973060	0.65
				19/05/2017	78948	TRANSFER	13052008	0.66
				02/06/2017	32164	TRANSFER	13084172	0.66
				07/07/2017	51170	TRANSFER	13135342	0.66
				14/07/2017	36550	TRANSFER	13171892	0.66
				04/08/2017	32164	TRANSFER	13204056	0.66
				11/08/2017	42398	TRANSFER	13246454	0.67
				01/09/2017	52632	TRANSFER	13299086	0.67
				08/09/2017	74562	TRANSFER	13373648	0.67
				15/09/2017	67252	TRANSFER	13440900	0.68
				06/10/2017	22380	TRANSFER	13463280	0.68
				13/10/2017	23126	TRANSFER	13486406	0.68
				20/10/2017	17158	TRANSFER	13503564	0.68
				27/10/2017	15666	TRANSFER	13519230	0.68
				22/12/2017	-17355	TRANSFER	13501875	0.68
		Total as on 31.12.2017					**13501875**	**0.68**

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
7.	THE NEW INDIA ASSURANCE COMPANY LIMITED	11829466	0.60	01/01/2017			11829466	0.60
				13/01/2017	37294	TRANSFER	11866760	0.60
				15/09/2017	-25000	TRANSFER	11841760	0.60
				22/09/2017	-74773	TRANSFER	11766987	0.59
				13/10/2017	-29361	TRANSFER	11737626	0.59
				20/10/2017	-3635	TRANSFER	11733991	0.59
		Total as on 31.12.2017					**11733991**	**0.59**
8.	GENERAL INSURANCE CORPORATION OF INDIA	12716022	0.64	01/01/2017			12716022	0.64
				10/03/2017	-166022	TRANSFER	12550000	0.63
				17/03/2017	-200000	TRANSFER	12350000	0.62
				14/04/2017	-100000	TRANSFER	12250000	0.62
				21/04/2017	-200000	TRANSFER	12050000	0.61
				23/06/2017	-100000	TRANSFER	11950000	0.60
				28/07/2017	-42840	TRANSFER	11907160	0.60
				22/09/2017	-57160	TRANSFER	11850000	0.60
				03/11/2017	-50000	TRANSFER	11800000	0.59
				17/11/2017	-85000	TRANSFER	11715000	0.59
				24/11/2017	-15000	TRANSFER	11700000	0.59
		Total as on 31.12.2017					**11700000**	**0.59**
9.	JPMORGAN SICAV INVESTMENT COMPANY (MAURITIUS) LIMITED	14565588	0.73	01/01/2017			14565588	0.73
				21/04/2017	-143125	TRANSFER	14422463	0.73
				28/04/2017	-40381	TRANSFER	14382082	0.72
				12/05/2017	-498748	TRANSFER	13883334	0.70
				18/08/2017	-411237	TRANSFER	13472097	0.68
				01/09/2017	-373446	TRANSFER	13098651	0.66
				08/09/2017	-250000	TRANSFER	12848651	0.65
				22/09/2017	-480517	TRANSFER	12368134	0.62
				29/09/2017	-1260000	TRANSFER	11108134	0.56
		Total as on 31.12.2017					**11108134**	**0.56**
10.	JP MORGAN INDIAN INVESTMENT COMPANY (MAURITIUS) LIMITED	10348666	0.52	01/01/2017			10348666	0.52
		Total as on 31.12.2017					**10348666**	**0.52**
11.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	9201296	0.46	01/01/2017			9201296	0.46
				06/01/2017	158132	TRANSFER	9359428	0.47
				13/01/2017	81327	TRANSFER	9440755	0.48
				17/02/2017	107631	TRANSFER	9548386	0.48
				10/03/2017	145803	TRANSFER	9694189	0.49
				21/04/2017	133828	TRANSFER	9828017	0.49
				04/08/2017	122841	TRANSFER	9950858	0.50
				10/11/2017	198354	TRANSFER	10149212	0.51
		Total as on 31.12.2017					**10149212**	**0.51**
12.	JPMORGAN INDIA FUND	13031135	0.66	01/01/2017			13031135	0.66
				21/07/2017	-600000	TRANSFER	12431135	0.63
				18/08/2017	-900000	TRANSFER	11531135	0.58
				25/08/2017	-580000	TRANSFER	10951135	0.55
				01/09/2017	-625000	TRANSFER	10326135	0.52
				08/09/2017	-500000	TRANSFER	9826135	0.49
				22/09/2017	-900000	TRANSFER	8926135	0.45
				29/12/2017	-375000	TRANSFER	8551135	0.43
		Total as on 31.12.2017					**8551135**	**0.43**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
13.	CITY OF NEW YORK GROUP TRUST	7164055	0.36	01/01/2017			7164055	0.36
				06/01/2017	-122632	TRANSFER	7041423	0.35
				13/01/2017	-22452	TRANSFER	7018971	0.35
				20/01/2017	73540	TRANSFER	7092511	0.36
				27/01/2017	-6459	TRANSFER	7086052	0.36
				03/02/2017	-46126	TRANSFER	7039926	0.35
				17/03/2017	-18083	TRANSFER	7021843	0.35
				24/03/2017	23057	TRANSFER	7044900	0.35
				31/03/2017	17908	TRANSFER	7062808	0.36
				12/05/2017	7582	TRANSFER	7070390	0.36
				19/05/2017	16856	TRANSFER	7087246	0.36
				26/05/2017	81631	TRANSFER	7168877	0.36
				09/06/2017	-60186	TRANSFER	7108691	0.36
				01/09/2017	-113251	TRANSFER	6995440	0.35
		Total as on 31.12.2017					**6995440**	**0.35**
14.	ISHARES INDIA INDEX MAURITIUS COMPANY	6654853	0.34	01/01/2017			6654853	0.34
				20/01/2017	53570	TRANSFER	6708423	0.34
				27/01/2017	56005	TRANSFER	6764428	0.34
				03/02/2017	56005	TRANSFER	6820433	0.34
				17/02/2017	21915	TRANSFER	6842348	0.34
				03/03/2017	-94370	TRANSFER	6747978	0.34
				10/03/2017	100884	TRANSFER	6848862	0.34
				17/03/2017	214389	TRANSFER	7063251	0.36
				24/03/2017	146644	TRANSFER	7209895	0.36
				07/04/2017	52971	TRANSFER	7262866	0.37
				14/04/2017	144060	TRANSFER	7406926	0.37
				21/04/2017	50421	TRANSFER	7457347	0.38
				05/05/2017	33614	TRANSFER	7490961	0.38
				02/06/2017	-232844	TRANSFER	7258117	0.37
				23/06/2017	-17933	TRANSFER	7240184	0.36
				07/07/2017	-19144	TRANSFER	7221040	0.36
				21/07/2017	9726	TRANSFER	7230766	0.36
				04/08/2017	8243	TRANSFER	7239009	0.36
				18/08/2017	-11585	TRANSFER	7227424	0.36
				01/09/2017	-92680	TRANSFER	7134744	0.36
				15/09/2017	-44709	TRANSFER	7090035	0.36
				22/09/2017	-33259	TRANSFER	7056776	0.36
				29/09/2017	-46180	TRANSFER	7010596	0.35
				06/10/2017	-4145	TRANSFER	7006451	0.35
				13/10/2017	-7701	TRANSFER	6998750	0.35
				20/10/2017	-4899	TRANSFER	6993851	0.35
				27/10/2017	-6985	TRANSFER	6986866	0.35
				08/12/2017	-77151	TRANSFER	6909715	0.35
				29/12/2017	-12941	TRANSFER	6896774	0.35
		Total as on 31.12.2017					**6896774**	**0.35**
15.	THE INDIA FUND INC	9026000	0.45	01/01/2017			9026000	0.45
				21/04/2017	-356379	TRANSFER	8669621	0.44
				28/04/2017	-118621	TRANSFER	8551000	0.43
				09/06/2017	-1000000	TRANSFER	7551000	0.38
				29/09/2017	-740000	TRANSFER	6811000	0.34
		Total as on 31.12.2017					**6811000**	**0.34**

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
16.	**PEOPLE'S BANK OF CHINA**	4128112	0.21	01/01/2017			4128112	0.21
				20/01/2017	-36815	TRANSFER	4091297	0.21
				27/01/2017	-18320	TRANSFER	4072977	0.21
				10/02/2017	7038	TRANSFER	4080015	0.21
				17/02/2017	6943	TRANSFER	4086958	0.21
				24/02/2017	6010	TRANSFER	4092968	0.21
				03/03/2017	24853	TRANSFER	4117821	0.21
				10/03/2017	83886	TRANSFER	4201707	0.21
				17/03/2017	65206	TRANSFER	4266913	0.21
				24/03/2017	65966	TRANSFER	4332879	0.22
				31/03/2017	50712	TRANSFER	4383591	0.22
				07/04/2017	-6084	TRANSFER	4377507	0.22
				21/04/2017	-15926	TRANSFER	4361581	0.22
				05/05/2017	14683	TRANSFER	4376264	0.22
				12/05/2017	39381	TRANSFER	4415645	0.22
				19/05/2017	4302	TRANSFER	4419947	0.22
				26/05/2017	-24990	TRANSFER	4394957	0.22
				02/06/2017	-154179	TRANSFER	4240778	0.21
				09/06/2017	-27373	TRANSFER	4213405	0.21
				16/06/2017	-20367	TRANSFER	4193038	0.21
				23/06/2017	-21133	TRANSFER	4171905	0.21
				07/07/2017	339	TRANSFER	4172244	0.21
				14/07/2017	15774	TRANSFER	4188018	0.21
				21/07/2017	25514	TRANSFER	4213532	0.21
				11/08/2017	-334697	TRANSFER	3878835	0.20
				18/08/2017	-291306	TRANSFER	3587529	0.18
				25/08/2017	-294986	TRANSFER	3292543	0.17
				01/09/2017	-144953	TRANSFER	3147590	0.16
				08/09/2017	19650	TRANSFER	3167240	0.16
				22/09/2017	-25879	TRANSFER	3141361	0.16
				29/09/2017	-7150	TRANSFER	3134211	0.16
				27/10/2017	-24423	TRANSFER	3109788	0.16
				03/11/2017	-22705	TRANSFER	3087083	0.16
				10/11/2017	-25176	TRANSFER	3061907	0.15
				17/11/2017	4163	TRANSFER	3066070	0.15
				24/11/2017	19132	TRANSFER	3085202	0.16
				01/12/2017	18368	TRANSFER	3103570	0.16
				08/12/2017	16188	TRANSFER	3119758	0.16
				15/12/2017	-12678	TRANSFER	3107080	0.16
				22/12/2017	41916	TRANSFER	3148996	0.16
				29/12/2017	94979	TRANSFER	3243975	0.16
		Total as on 31.12.2017					**3243975**	**0.16**

Sr. No.	Name of the Shareholders	Shareholding at the beginning & end of the year		Dates	Increase / Decrease in shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
17.	BIRLA SUN LIFE INSURANCE COMPANY LIMITED	4418617	0.22	01/01/2017			4418617	0.22
				06/01/2017	-4232851	TRANSFER	185766	0.01
				13/01/2017	15500	TRANSFER	201266	0.01
				20/01/2017	427	TRANSFER	201693	0.01
				03/03/2017	-8394	TRANSFER	193299	0.01
				31/03/2017	298	TRANSFER	193597	0.01
				14/04/2017	860628	TRANSFER	1054225	0.05
				21/04/2017	1219519	TRANSFER	2273744	0.11
				28/04/2017	1260000	TRANSFER	3533744	0.18
				12/05/2017	2758260	TRANSFER	6292004	0.32
				26/05/2017	660	TRANSFER	6292664	0.32
				02/06/2017	257100	TRANSFER	6549764	0.33
				23/06/2017	1330000	TRANSFER	7879764	0.40
				30/06/2017	921910	TRANSFER	8801674	0.44
				07/07/2017	2580	TRANSFER	8804254	0.44
				21/07/2017	-2490703	TRANSFER	6313551	0.32
				28/07/2017	-24750	TRANSFER	6288801	0.32
				04/08/2017	-960086	TRANSFER	5328715	0.27
				25/08/2017	521	TRANSFER	5329236	0.27
				01/09/2017	-1910	TRANSFER	5327326	0.27
				08/09/2017	-395580	TRANSFER	4931746	0.25
				15/09/2017	-43718	TRANSFER	4888028	0.25
				20/10/2017	-247500	TRANSFER	4640528	0.23
				27/10/2017	-1085290	TRANSFER	3555238	0.18
				03/11/2017	-706950	TRANSFER	2848288	0.14
		Total as on 31.12.2017					**2848288**	**0.14**
18.	HARDING, LOEVNER FUNDS INC EMERGING MARKETS PORTFOLIO	13967400	0.70	01/01/2017			13967400	0.70
				13/01/2017	161000	TRANSFER	14128400	0.71
				03/02/2017	144000	TRANSFER	14272400	0.72
				10/02/2017	-22400	TRANSFER	14250000	0.72
				03/03/2017	125100	TRANSFER	14375100	0.72
				17/03/2017	61000	TRANSFER	14436100	0.73
				21/04/2017	65100	TRANSFER	14501200	0.73
				12/05/2017	152100	TRANSFER	14653300	0.74
				19/05/2017	-5207017	TRANSFER	9446283	0.48
				26/05/2017	-3962140	TRANSFER	5484143	0.28
				02/06/2017	-1390870	TRANSFER	4093273	0.21
				09/06/2017	-2271150	TRANSFER	1822123	0.09
				16/06/2017	-335360	TRANSFER	1486763	0.07
				23/06/2017	-1209500	TRANSFER	277263	0.01
				30/06/2017	-277263	TRANSFER	0	0.00
		Total as on 31.12.2017					**0**	**0.00**
19.	ACTIVE ASIAN EQUITY FUND	3028995	0.15	01/01/2017			3028995	0.15
				28/04/2017	-3028995	TRANSFER	0	0.00
		Total as on 31.12.2017					**0**	**0.00**
20.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	971529	0.05	01/01/2017			971529	0.05
				06/01/2017	1919	TRANSFER	973448	0.05
				13/01/2017	23137	TRANSFER	996585	0.05
				20/01/2017	22248	TRANSFER	1018833	0.05
				03/02/2017	8055	TRANSFER	1026888	0.05
				10/02/2017	21156	TRANSFER	1048044	0.05
				17/02/2017	37329	TRANSFER	1085373	0.05
				24/02/2017	10902	TRANSFER	1096275	0.06
				03/03/2017	991	TRANSFER	1097266	0.06
				17/03/2017	-15271	TRANSFER	1081995	0.05
				24/03/2017	19794	TRANSFER	1101789	0.06
				07/04/2017	4585	TRANSFER	1106374	0.06
				21/04/2017	-65018	TRANSFER	1041356	0.05
				28/04/2017	66700	TRANSFER	1108056	0.06
				05/05/2017	-2673	TRANSFER	1105383	0.06
				12/05/2017	13983	TRANSFER	1119366	0.06
				19/05/2017	30074	TRANSFER	1149440	0.06
				26/05/2017	-1149440	TRANSFER	0	0.00
		Total as on 31.12.2017					**0**	**0.00**

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
21.	**SBI LIFE INSURANCE CO. LIMITED**	1435638	0.07	01/01/2017			1435638	0.07
				06/01/2017	51772	TRANSFER	1487410	0.07
				13/01/2017	-4797	TRANSFER	1482613	0.07
				20/01/2017	1937	TRANSFER	1484550	0.07
				27/01/2017	-1950	TRANSFER	1482600	0.07
				03/02/2017	-20547	TRANSFER	1462053	0.07
				10/02/2017	-629	TRANSFER	1461424	0.07
				17/02/2017	-1929	TRANSFER	1459495	0.07
				24/02/2017	4420	TRANSFER	1463915	0.07
				17/03/2017	-41458	TRANSFER	1422457	0.07
				24/03/2017	-9896	TRANSFER	1412561	0.07
				31/03/2017	396	TRANSFER	1412957	0.07
				07/04/2017	-2624	TRANSFER	1410333	0.07
				14/04/2017	-177090	TRANSFER	1233243	0.06
				21/04/2017	-46501	TRANSFER	1186742	0.06
				28/04/2017	-2248	TRANSFER	1184494	0.06
				05/05/2017	-1040	TRANSFER	1183454	0.06
				12/05/2017	996050	TRANSFER	2179504	0.11
				19/05/2017	-14236	TRANSFER	2165268	0.11
				26/05/2017	200000	TRANSFER	2365268	0.12
				02/06/2017	-6847	TRANSFER	2358421	0.12
				09/06/2017	-3469	TRANSFER	2354952	0.12
				23/06/2017	126550	TRANSFER	2481502	0.12
				30/06/2017	790	TRANSFER	2482292	0.13
				07/07/2017	-2364	TRANSFER	2479928	0.12
				14/07/2017	25361	TRANSFER	2505289	0.13
				21/07/2017	7577	TRANSFER	2512866	0.13
				28/07/2017	-5469	TRANSFER	2507397	0.13
				04/08/2017	-9164	TRANSFER	2498233	0.13
				11/08/2017	-193	TRANSFER	2498040	0.13
				25/08/2017	-752	TRANSFER	2497288	0.13
				01/09/2017	38	TRANSFER	2497326	0.13
				08/09/2017	-50000	TRANSFER	2447326	0.12
				15/09/2017	-626	TRANSFER	2446700	0.12
				22/09/2017	-4931	TRANSFER	2441769	0.12
				29/09/2017	-120078	TRANSFER	2321691	0.12
				06/10/2017	177728	TRANSFER	2499419	0.13
				20/10/2017	-6302	TRANSFER	2493117	0.13
				27/10/2017	-400775	TRANSFER	2092342	0.11
				03/11/2017	-126	TRANSFER	2092216	0.11
				10/11/2017	-232287	TRANSFER	1859929	0.09
				17/11/2017	-1859929	TRANSFER	0	0.00
		Total as on 31.12.2017					**0**	**0.00**

iv. 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, 2017		Shareholding at the end of the year- 31st December, 2017	
	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	-	307284	-
3.	Mr. Ajay Kapur	185500	-	185500	-
4.	Mr. Shailesh Haribhakti	19650	-	19650	-
5.	Mr. Rajiv Gandhi	2000	-	2000	-

V. INDEBTEDNESS

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

(₹ In Crores)

PARTICULARS	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.01.2017 [(1)]				
1) Principal Amount	15.73	13.23	-	28.96
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	**15.73**	**13.23**	**-**	**28.96**
Change in Indebtedness during the financial year				
Addition[(2)]	10.50	-	-	10.50
Reduction[(2)]	-2.11	-13.23	-	-15.34
Net change	8.39	-13.23	-	-4.84
Indebtedness at the end of the financial year-31.12.2017				
1) Principal Amount	24.12	-	-	24.12
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	**24.12**	**-**	**-**	**24.12**

(1) Previous year reported figure was ₹ 19.09 crores. The same has been revised due to adoption of Ind AS.

(2) The above includes interest free loans under sales tax department schemes from State Government as given in Note 18 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	887.54
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.59
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - As % of Profit - Others, specify	-
5.	Others, please specify Provident Fund & other Funds	41.22
	Performance Bonus (Refer Note)	-
	Total (A)	**930.35**
	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 2017. However, the performance bonus for FY 2016 and paid in FY 2017 is included in Salary.

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	7.00	12.10	8.60	9.90	4.80	42.40
Commission	36.00	45.00	36.00	36.00	36.00	189.00
Others, please specify	Nil	Nil	Nil	Nil	Nil	
Total (1)	**43.00**	**57.10**	**44.60**	**45.90**	**40.80**	**231.40**

2. Other Non-Executive Directors :-

(₹ In Lakhs)

Other Non-Executive Directors	Mr. N. S. Sekhsaria	Mr. E. Olsen(1)	Mr. C. Hassig	Mr. J. Jenisch(2)	Mr. B.L. Taparia	Ms. U. Sangwan	Mr. M. Kriegner	Total
Fee for attending board committee meetings	5.20	1.50	4.50	0.50	7.70	2.00	6.20	27.60
Commission	50.00	14.41	20.00	3.78	Nil	20.00	36.00	144.19
Others	Nil	Nil	Nil	Nil	144.00	Nil	Nil	144.00
Total (2)	**55.20**	**15.91**	**24.50**	**4.28**	**151.70**	**22.00**	**42.20**	**315.79**
Total B = (1+2)								**547.19**
Ceiling as per the Act	1% of the Net Profits of the Company							

(1) For the period of 1st January, 2017 to 20th September, 2017

(2) For the period of 24th October, 2017 to 31st December, 2017

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	217.99	83.73	301.72
	(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	-	-	
2.	Stock Option	-	-	
3.	Sweat Equity	-	-	
4.	Commission - As % of Profit - Others, specify	-	-	
5.	Others, please specify Contribution to Provident Fund	20.37	10.08	30.45
	Performance Bonus (Refer Note)	-	-	-
	Total (C)	**238.36**	**93.82**	**332.17**

Note: The above figures do not include the performance bonus of the CFO & CS for FY 2017. However, the performance bonus for FY 2016 and paid in FY 2017 is included in Salary.

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

None.

On behalf of the Board of Directors

Sd/-

N. S. Sekhsaria

Chairman & Principal Founder
(DIN : 00276351)

Mumbai, 4th May, 2018

Form No. AOC-2

January to December - 2017

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 2017, 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 2017 are as follows:

Nature of Contract and Name of the related party	Nature of Relationship	Duration of Contract	Silent Terms	Amount (in ₹ Crs.)
Purchase of goods				
LafargeHolcim Energy Solutions S.A.S, France (LHES)	Fellow Subsidiary	January 1st, 2017- December 31st, 2017[1]	Based on Transfer Pricing Guidelines	309
				309
Receiving of services				
ACC Limited	Subsidiary	August 1st, 2014 - July 31st, 2019	Based on Transfer Pricing Guidelines	53
Holcim Technology Ltd, Switzerland (HTL)	Fellow Subsidiary	January 1st, 2013 - December 31st, 2017[2]	Based on Transfer Pricing Guidelines	102
Holcim Services (South Asia) Limited	Fellow Subsidiary	April 1st, 2016 - March 31st, 2019	Based on Transfer Pricing Guidelines	67
				222
Rendering of services				
ACC Limited	Subsidiary	August 1st, 2014 - July 31st, 2019	Based on Transfer Pricing Guidelines	48
				48

Note:

1. Purchase of goods from LHES referred above is towards procurement of petcoke.
2. Payment of fees to HTL 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 5 years (i.e. from 2013- 2017), pursuant to the approval of the Board and the Shareholders.

On behalf of the Board of Directors

Sd/-

N. S. Sekhsaria

Chairman & Principal Founder
(DIN : 00276351)

Mumbai, 4th May, 2018

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.

SECRETARIAL AUDIT REPORT

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

FOR THE YEAR ENDED 31st DECEMBER, 2017

To
The Board of Directors,
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 ended 31st December, 2017, 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, 2017, 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;

   (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 a 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 no 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 previous year, the Competition Commission of India (CCI) had imposed penalty of ₹ 1163.91 Crores on the Company. The Company had filed an appeal on which the Competition Appellate Tribunal (COMPAT) had granted a stay on the penalty with a condition to deposit 10% of the penalty amount in the form of Fixed Deposit, which has been complied by the Company. By virtue of Government notification, all cases pending before COMPAT were transferred to the National Company Law Appellate Tribunal (NCLAT) and, as such, the Appeal has been heard by NCLAT and Order is kept reserved.

   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
PARTNER FCS: 5171
CP No.3030

Date : 12th February, 2018
Place: Mumbai

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2016.

A) CONSERVATION OF ENERGY

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

1. Installed Smart Load Shedding System (Bhatapara)
2. Replacement of drag chain conveyor CV1,CV2 by weigh feeder of coal mill no.2 (Bhatapara)
3. Reduce pressure drop across duct (Removal of venturi) in Raw mill line 2 fan inlet (Bhatapara).
4. Installation of VFD drive for HP pump of RO plant (TPP) & Main & PC firing PD blowers (Bhatapara),
5. Reduction in idle running of equipment by PLC logic modification (Bhatapara)
6. Replacement of ball mill first chamber liner (Farakka)
7. Reduction in idle running of equipment by PLC logic modification (Farakka)
8. Compressed air optimization by conducting Leakage Survey, providing separate lines for Packing Plant, Cement Mills and Flyash unloading (Sankrail)
9. Daily basis monitoring through load monitor to avoid idle running of equipment. (Sankrail)
10. Power factor improvement from 0.98 to 0.99 for optimization of maximum demand. (Sankrail)
11. Installation of VVFD for Belt conveyor and Truck loaders forward & reverse drive. (Sankrail).
12. Two Fan system for Cooler CIS, instead of one big fan (Darla).
13. Stopping of PC firing Primary air fan of 132 Kw (Darla).
14. Optimization of Compressed air utilization (Darla).
15. Installation of 2 new energy efficient Screw compressor (Darla).
16. Complete replacement of coal with low rank fuel (Petcoke) (Suli-Darla).
17. Limestone size reduction (< 50 mm) from Crusher to have positive impact on specific power of grinding (Darla)
18. Installation of low NOx and high momentum burner for reduction of NOx and thermal energy consumption (Rabriyawas)
19. Installation of New ILC PH fans in existing foundation to improve fan efficiency in KS-1 & KS-2 string (Rabriyawas)
20. CFD (Computational Fluid Dynamics) based modification in SLC top cyclone to increase cyclone efficiency & velocity profile (Rabriyawas)
21. Installation of Fly Ash unloading near to the feed bins instead of transferring it by compressed air (Dense Phase System) covering a distance of 500 m (Ropar)
22. Replaced Rotary Air lock motor by double flap in bag Filter (Roorkee).
23. Reduced Bag House purging air pressure form 6 kg/cm2 to 4 Kg/cm2 (Dadri).
24. Reduction of pressure drop across the VRM by modifying Armour Ring angle from 18 degree to 11 degree (Dadri).
25. Plant Utility compressor power reduction by air leakages arresting through continuous survey and monitoring (Dadri).
26. Separator modification in Gaj CM-3 to improve operating efficiency (Ambujanagar).
27. Installed and commissioned High Level Control for Gaj CM-3 operation (Ambujanagar).
28. Gaj-2 PH fan modification to reduce SEEC of fan (Ambujanagar).
29. Modification in grate plate sealing arrangement to improve and sustain cooler recuperation efficiency in Gaj-1 (Ambujanagar).
30. Replacement of Vortex Finder for Boiler-1&2 (Ambujanagar).
31. Installation of two MV VVVF drive in Boiler Feed pump (Ambujanagar).
32. Installation of Screw Compressors in place of reciprocating compressors (Ambujanagar).
33. Reduction in total sp. electrical energy consumption of raw mill by 0.7 kWh/t cem by reducing feed size, nozzle ring area blind plates pattern , and feed chute modified. Nozzle ring optimization and gas flow and dust load optimization (Maratha).

34. Kiln shell cooling fan aluminum impeller changed with FRP blade impeller (Maratha)
35. Modified cement mill main bag filter fan pulley to reduced sp. electrical energy consumption by 0.25 kWh/t cem (Maratha)
36. Optimized grinding media pattern in CM 1 to reduced sp. electrical energy consumption by 2 kWh/t cem (Maratha)
37. Replaced cement mill 3 sepol DC motor with AC drive to improve MTBF of the mill (Maratha)
38. Installation of new low NOx burner reduced sp. thermal energy consumption by 2 kCal/kg clk (Maratha)
39. Cement Mill no. 3 mill discharge chain type bucket elevator replaced with belt type (Maratha)
40. Installation of LED lights in place of conventional lights.
41. Providing separate local on-off switches for lightening for particular area.
42. Optimizing the voltage of lighting transformer by tap changing.
43. High-mast lights timing optimization
44. Photo Cell sensor installation through timer for High Mast tower light

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

1. 30.2 mio units power generated from WHRS at Rabriyawas.
2. Substituted 4.22% of total Thermal Energy of Kiln by Alternative Fuels.
3. 10.4 mio units power generated from Wind at Surat.
4. 0.2 mio units power generated from Solar at Bhatapara.

(3) The capital investment on energy conservation equipment

1. Smart load shedding (Bhatapara)
2. New high capacity dryer FD760 installed in Packing Plant Compressor's room for Cement Mill / Packing Plant compressed air circuit for better efficiency(Farakka)
3. New low pressure (2.25 bar) compressor installed for dry fly ash bulker unloading. (Farakka)
4. Installation of CombiEff nozzle in Calciner firing (Darla)
5. Enlargement of Coal mill recirculation duct for reducing the pressure drop in circuit (Darla)
6. Installation of Fly Ash unloading near to feed bins. (Ropar)
7. Installation of LED lights (Ropar)
8. Replacement of conventional Jaw Crusher with Mineral Sizer for Limestone crushing (Ambujanagar)
9. Installation of two MV VVVF drive in Boiler Feed pump (Ambujanagar).
10. Installation of Screw Compressors in place of reciprocating compressors (Ambujanagar).
11. Replacement of Vortex Finder for Boiler-1&2 (Ambujanagar)

B) TECHNOLOGY ABSORPTION

1) Efforts made towards Technology Absorption:

1. Refractory thickness measuring instrument (Darla)
2. Installation of online check weigher for cement bags at Packing plant (Darla)
3. Laser alignment instrument (Darla)
4. Inclinometer for measuring the Kiln slope (Darla)
5. Battery Health monitor instrument (Darla)
6. Installation of acoustic sheeting in Raw mill for reducing the Noise level in surroundings. (Darla)
7. Usage of fire barrier chemical on cables to prevent fire(Darla)
8. Usage of limestone up to 5 % with Fine petcoke for sulfur entrapment (Darla).
9. Re-orientation of Kiln Inlet riser duct with Meal Curtain & refractory applications to reduce pressure drop and optimize velocity profiles in the Kiln riser duct (Rabriyawas)
10. CFD modification in cooler vent ESP to improve gas distribution and Installation of medium frequency TR set to improve the dust collection efficiency of ESP to meet MoEF guide line (Rabriyawas)
11. Installation of Guillotine damper in SLC hot gas to coal mill-2 to streamline coal mill-2 operation (Rabriyawas)
12. Installation of new atomized water spray nozzle and complete assembly for hot meal drop out area SLC elbow drop out area to prevent accidents related to hot material spillage (Rabriyawas)

13. Replacement of 132 KV CRP panel. (Conventional Relays replaced with numerical relays) (Ropar)
14. Installation of Clinker Loading Chutes with integral Bag Filters (Ropar)
15. Switching HAG operation from HFO to LDO. (Dadri)
16. Conversion of Mill ESP into Bag Filter in Gajambuja CM-1, 2 (Ambujanagar).
17. CFD study and modification in Gaj-2 Cooler ESP inlet to reduce dust Emission (Ambujanagar).
18. Gaj-2 burner modification (Ambujanagar)
19. Revamping of Fire Hydrant system (Ambujanagar).
20. Automation in Reclaimer operation in Gajambuja (Ambujanagar).
21. Automatic sampler installed in AFR Feeding circuit for homogenous sample material (Ambujanagar)
22. Conversion of chain conveyor to belt conveyor for increase in belt life (Maratha)
23. AC VVVF Drive & Motor for Sepol Fan of Cement Mill – 4 (Maratha)
24. Modification of cooler ESP to lower down the dust emission below 30 mg/NM3 (Maratha)
25. Modification of CPP Boiler ESP Field Controller at MCW to lower downs the dust emission below 30mg/NM3 (Maratha)

2) Benefits derived (Cost reduction, product improvement / improvement, Import substitution, etc.) in the year 2017

1. Optimum utilization of Kiln refractory lining (Darla)
2. Ensure cement bags accuracy in weight (Darla)
3. Improved life of equipments (Darla)
4. Improved reliability of Kiln (Darla)
5. Better utilization of life of Battery and avoid sudden supply failure (Darla).
6. Reduced the noise of surrounding area (Darla)
7. To prevent property losses due to fire (Darla)
8. Numerical relays reduces the chance of major breakdown in Plant. (Ropar)
9. Prevention of spillage and fugitive dust emission. (Ropar)
10. Help in reducing dust emission during clinker loading. (Ropar)
11. Lower Emission level (Ambujanagar).
12. 100% petcoke in kiln firing (Ambujanagar).
13. Improved operational efficiency, equipment availability and reduction in maintenance cost (Ambujanagar)
14. Manufacturing of Compocem (Bhatapara)

3) Information regarding Technology Imported during last 3 years

Details of Technology Imported	Year of Import	Status of implementation/ absorption
LIMS Implementation	2015	Fully Absorbed
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

4) Expenditure on R&D:

	Current Year 31.12.2017 (₹Crores)	Previous Year 31.12.2016 (₹Crores)
Capital Expenditure	0.63	1.92
Recurring Expenditure	0.4	0
Total Expenditure	1.03	1.92
Total R & D expenditure as a percentage of total turnover	0.01%	0.02 %

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned :		
Category	**Current Year (₹ in crores)**	Previous Year (₹ in crores)
Used	**975.99**	4010.38
Earned	**4.59**	32.03

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 2017	602,628
Percentage increase in the median remuneration of employees in the Financial Year	9.38%
Number of permanent employees on the rolls of the Company as on 31st December, 2017	4,992

Name of Director and KMP	Remuneration	Ratio of remuneration to median remuneration of all employees[(a)]	% increase in remuneration in the Financial Year 2016
Non-Executive Directors			
Mr. N.S. Sekhsaria	5,520,000	9.16	33.98%
Mr. Eric Olsen (Resigned w.e.f. 21.09.2017) [Refer note 2(a)]	1,591,000	2.64	Not applicable
Mr. Jan Jenisch (w.e.f. 24.10.2017) [Refer note 2(a)]	428,000	0.71	Not applicable
Mr. Martin Kriegner	4,220,000	7.00	23.03%
Mr. Christof Hassig	2,450,000	4.07	28.95%
Ms. Usha Sangwan	2,200,000	3.65	25.71%
Mr. B.L. Taparia	15,170,000	25.17	0.33%
Independent Directors			
Mr. Nasser Munjee	4,300,000	7.14	21.81%
Mr. Rajendra Chitale	5,710,000	9.48	28.60%
Mr. Shailesh Haribhakti	4,460,000	7.40	25.63%
Dr. Omkar Goswami	4,590,000	7.62	27.15%
Mr. Haigreve Khaitan	4,080,000	6.77	21.79%
Executive Director			
Mr. Ajay Kapur, MD & CEO (Refer note 3)	93,034,699	154.38	67.17%
Other KMPs			
Mr. Suresh Joshi, Chief Financial Officer	23,836,635	39.55	45.47%
Mr. Rajiv Gandhi, Company Secretary	9,382,712	15.57	6.82%

Notes:

(1) (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period 1st January, 2017 to 31st December, 2017.

(b) The remuneration to Directors includes sitting fees paid and commission to them.

(c) 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.

(2) (a) The remuneration in case of Mr. Jan Jenisch and Mr. Eric Olsen is not comparable with that of the previous year 2016 as Mr.Olsen was in office only for the part of the year and Mr. Jenisch joined the Board w.e.f. 24.10.2017.

(b) The increase in the remuneration of the Directors is basically due to increase in the amount of the Commission for the F.Y. 2017.

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

(a) Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel (i.e. M.D &CEO) is 6.98% while percentile increase in the Managerial Remuneration is 67.17%. The increase in the remuneration of the Managerial Personnel in 2017 is not comparable with the remuneration of the last year as the amount of peformance bonus for 2016 was pending finalisation and payment.

(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.

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

Form AOC-1

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

A) Subsidiary company

₹ in crores

Name	Date since when subsidiary was acquired	Financial year ending on	As on and for the year ended	Reporting Currency	Share capital	Reserves and surplus	Total assets	Total liabilities	Total Investments	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)	% of Shareholding
M.G.T. Cements Private Limited	20/10/2007	**31st December, 2017**	**31st December, 2017**	₹	**0.75**	**(0.75)**	-	-	-	-	-	-	-	-	**100.00**
		31st December, 2016	31st December, 2016	₹	0.75	(0.74)	0.01	-	-	-	(0.01)	-	(0.01)	-	100.00
Chemical Limes Mundwa Private Limited	20/10/2007	**31st December, 2017**	**31st December, 2017**	₹	**5.14**	**(4.39)**	**1.82**	**1.07**	-	-	**(0.23)**	-	**(0.23)**	-	**100.00**
		31st December, 2016	31st December, 2016	₹	5.14	(4.17)	1.94	0.97	-	-	(0.20)	-	(0.20)	-	100.00
Dirk India Private Limited	02/09/2011	**31st December, 2017**	**31st December, 2017**	₹	**2.08**	**(33.51)**	**22.36**	**53.79**	-	**7.11**	**(2.85)**	-	**(2.85)**	-	**100.00**
		31st December, 2016	31st December, 2016	₹	2.08	(30.60)	28.57	57.08	-	10.40	(1.59)	(1.95)	0.36	-	100.00
Dang Cement Industries Private Limited	06/05/2011	**31st December, 2017**	**31st December, 2017**	**Nepalese Rupee**	**13.84**	**(5.54)**	**8.30**	-	-	-	**(0.13)**	-	**(0.13)**	-	**91.63**
		31st December, 2016	31st December, 2016	Nepalese Rupee	13.84	(5.42)	8.42	-	-	-	(0.07)	-	(0.07)	-	91.63
ACC Limited (2)	12/08/2016 (Refer note 3)	**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**
		31st December, 2016	31st December, 2016	₹	187.99	8,625.44	13,393.94	4,577.73	117.18	10,772.00	885.31	226.89	658.42	135.61	50.05
OneIndia BSC Private Limited (2)	13/08/2015	**31st December, 2017**	**31st December, 2017**	₹	**2.50**	**1.96**	**8.25**	**3.79**	-	**20.42**	**1.97**	**0.65**	**1.32**	-	**50.00**
		31st December, 2016	31st December, 2016	₹	2.50	0.75	8.72	5.47	-	20.15	2.20	0.72	1.48	-	50.00

B) Joint Ventures company ₹ in crore

Name of Joint Ventures company	Date of acquisition	Latest audited Balance Sheet Date	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)			% of Shareholding
			No.	Reporting Currency	Amount of investment in Joint Venture				For the Year	Considered in Consolidation	Not Considered in Consolidation	
Counto Microfine Products Private Limited	01/08/2011	**31st December, 2017**	**90,10,002**	₹	**17.50**	Refer Note(4)	Not applicable	**32.90**	**6.11**	**3.06**	**3.05**	**100.00**
		31st December, 2016	4,010,002	₹	10.00			29.39	5.03	2.51	2.52	100.00

Note

(1) The Company follows January to December as financial year and has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder, from 1st January, 2017 with transition date as 1st January, 2016. Accordingly, the Company has provided Ind AS compliant comparative number for the year ended 31st December, 2016.

(2) Figure of ACC limited is from consolidated financial statements of the same. Further, Oneindia BSC Private Limited (OIBPL) is a joint venture company of ACC Limited with 50% shareholding.

(3) The board of directors and members of the Company had approved the Scheme of Amalgamation (Scheme) between the Ambuja Cements Limited and HIPL from the appointed date, 1st April, 2013. However, the Scheme came into effect on 12th August, 2016 (effective date) when all the conditions precedent to the Scheme were complied with.

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

For and on behalf of the Board of Directors

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

N.S. Sekhsaria
Chairman & Principal Founder
(DIN:0026351)

Martin Kriegner
Director (DIN:00077715)

B. L. Taparia
Director (DIN:00016551)

Haigreve Khaitan
Director (DIN:00005290)

Ajay Kapur
Managing Director &
Chief Executive Officer (DIN:03096416)

Rajendra P. Chitale
Chairman - Audit Committee
(DIN:00015986)

Shailesh Haribhakti
Director (DIN:00007347)

Omkar Goswami
Director (DIN:00004258)

Usha Sangwan
Director (DIN:02609263)

Mumbai, 4th May, 2018

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 & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure conservation & 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 5.5 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 & targets, policies, governance standards, reporting mechanism & accountability and decision making process to be followed.

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

(b) Managing Director & CEO – The Managing Director & 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 & 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, including one Woman Director. The Composition of the Board primarily takes care of the business needs and stakeholders' interest. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and highly renowned persons from the fields of manufacturing, finance & taxation, economics, law, governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance & expert advice to 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.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the Listing Regulations. As at the end of corporate financial year 2017, the total Board strength comprises of the following:

Non-Independent – Non-Executive Directors		
Non-Executive Chairman	1	
Promoter Directors	3	
Institutional Nominee (as equity investor)	1	
Other Non-Executive Director	1	
		6
Independent Directors		5
Non-Independent & Executive – (Managing Director & CEO)		1
Total Strength		**12**

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

2.2 Selection, Appointment and Tenure of Director:

The Nomination & 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 of 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 & 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 (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 & Managing Director of the Company from its inception in April 1983, until January 2006. Mr. Sekhsaria relinquished the post of Managing Director and was appointed as the Non-executive Vice Chairman when management control of the Company was transferred to Holcim. In September 2009, he was appointed as the Non-executive Chairman after Mr. Suresh Neotia relinquished the post of Chairman.

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

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

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

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

German national born in 1966, Mr. Jan Jenisch joined LafargeHolcim as Chief Executive Officer on 1st 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 (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 & Remuneration Committee and a member of the Audit Committee, CSR & Sustainability Committee and Risk Management Committee.

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

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

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

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

Mr. Shailesh Haribhakti is Chairman of Haribhakti & Co. LLP (Chartered Accountants); New Haribhakti Business Services LLP & 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. 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 & T Finance Holdings Ltd., L & T Mutual Fund and Future Lifestyle Fashions Ltd; Past Chairman and Trustee of the National Pension Scheme Trust (NPS Trust); Past Member of Pension Advisory Committee (PAC) of Pension Fund Regulatory & Development Authority (PFRDA). He currently serves on several large Boards of 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 & 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 & Remuneration Committee, Risk Management Committee and the Compliance Committee.

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

Dr. Goswami, a professional economist, did his Master's in Economics from the Delhi School of Economics and his D. Phil (Ph.D.) from Oxford University. He taught and researched economics for 20 years at various reputed universities in India and abroad. During a career spanning over three decades, he has been associated as 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 (Non-Executive, Independent Director)

Mr. Haigreve Khaitan is a Partner at Khaitan & 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 M&A's, Private Equity and Project Finance transactions. He has extensive experience of advising on all aspects of Mergers & 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 & 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.

(viii) Ms. Usha Sangwan (Non-Executive, Non-Independent Director, Institutional Nominee)

Ms. Usha Sangwan, post graduated in Economics and holding PG Diploma in Human Resource Management, is the first ever woman Managing Director of Life Insurance Corporation of India. She joined LIC as a Direct Recruit Officer in 1981.

Ms. Sangwan is the whole time Director of LIC of India, Board Member of General Insurance Corporation of India, LIC Housing Finance Ltd., Axis Bank and Bombay Stock Exchange Ltd., Board Member of LIC (International) BSC (C), Bahrain, Kenindia Assurance Co. Ltd., LIC Card Services Ltd., Member of Governing Council of National Insurance Academy, Member on the Board of Education of Insurance Institute of India.

She has worked in all core areas of Life Insurance and also headed almost all departments of Corporate Office including Investment, Marketing, Customer Relations, International Operations, I.T., Personnel, and Mission office for digital India.

She has accolades to her career by renewing LIC Housing Finance Ltd. and pioneering Direct Marketing Channel, Social Media and institutionalizing Corporate Communication activities like Student of the Year, Mobile Van, College Campus and Rozgar Melas in addition to Marketing initiative of Super-30 concept to create Role Model Agents and SMS Based Helpline to ensure Anytime, Anywhere service to customers.

Her expertise lies in analytics, strategy, execution, people skill, customer centricity, use of technology particularly in marketing and servicing and setting up of systems.

She also has the credit of being featured in Forbes List of 50 most Powerful Business Women in Asia in 2015, Most Powerful Women in Indian Business by Business Today and Most Influential Women by Business World in 2016, Most Powerful Women in India by Femina and also on cover page of Bureacracy Today in addition to various awards by Doordarshan, BMA, BFSI, CMO, CIMA and Top Rankers Management Consultants.

Ms. Sangwan joined the Board in April, 2014.

(ix) Mr. Christof Hassig (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 & 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 & treasury functions for over fifteen years. In 2013, he took over the additional responsibility as Head of Mergers & Acquisitions.

Mr. Hassig joined the Board in December, 2015.

(x) Mr. Martin Kriegner (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 & Remuneration Committee and CSR & Sustainability Committee.

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

Mr. Taparia is a Commerce and Law graduate and a fellow member of The Institute of Company Secretaries of India. He possesses more than 42 years of working experience in the fields of Legal, Secretarial, Finance, Taxation, Procurement, Internal Audit, HR, Health & 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. and Chairman of its Audit Committee.

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

(xii) Mr. Ajay Kapur (Executive, Non-Independent, Managing Director & 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 the 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 & national forums such as CSI-WBCSD, NCBM and CII.

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

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, 2017, the Board of Directors had 7 meetings. These were held on 20th February, 2017, 28th April, 2017, 5th May, 2017, 24th July, 2017, 25th September, 2017, 24th October, 2017 and 8th December, 2017. The last Annual General Meeting (AGM) was held on 31st March, 2017. The attendance record of the Directors at the Board Meetings during the year ended on 31st December, 2017, 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	6	Yes
2.	Mr. Jan Jenisch (w.e.f 24.10.2017)	Vice Chairman, Non-Executive, Non-Independent	1 of 2	N.A
3.	Mr. Christof Hassig	Non-Executive, Non-Independent	6	No
4.	Mr. Martin Kriegner	Non-Executive, Non-Independent	7	No
5.	Mr. Nasser Munjee	Independent	5	No

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
6.	Mr. Rajendra Chitale	Independent	7	Yes
7.	Mr. Shailesh Haribhakti	Independent	7	Yes
8.	Dr. Omkar Goswami	Independent	7	No
9.	Mr. Haigreve Khaitan	Independent	6	No
10.	Ms. Usha Sangwan	Non-Executive, Non-Independent	4	No
11.	Mr. B.L. Taparia	Non-Executive, Non-Independent	7	Yes
12.	Mr. Ajay Kapur	Managing Director & CEO	7	Yes
13.	Mr. Eric Olsen (Resigned w.e.f. 21.09.2017)	Vice Chairman, Non-Executive	3 of 4	No

(ii) Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 8th December, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed 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.

Taking a step towards our vision of "Sustainability", we have introduced the electronic circulation of the Board and committee meetings agenda papers and related documents through a secured online web based application.

(iv) Invitees & 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 & financial performance, annual operating & capex budget & progress, operational health & safety, marketing & 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 & decided at their respective committee meetings, which are generally held prior to the Board meeting.

(v) Post Meeting Action & 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 & CEO does not serve as Independent Director on any listed company. Further, none of the Director 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 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, 2017, 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 (w.e.f. 24.10.2017)	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	8	Nil	7
7.	Mr. Haigreve Khaitan	8	3	4
8.	Ms. Usha Sangwan	5	Nil	2
9.	Mr. Christof Hassig	1	Nil	Nil
10.	Mr. Martin Kriegner	1	Nil	1
11.	Mr. B.L. Taparia	1	1	Nil
12.	Mr. Ajay Kapur	2	Nil	1

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

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

Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director & 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 & mitigation plan. The Directors are also provided with quarterly update on relevant statutory changes, judicial pronouncements and important amendments.

During the year under review, the Audit Committee held a special meeting to review the Direct and Indirect tax matters and the Compliance Committee held a special meeting to review the critical legal & compliance matters. As a part of deeper engagement, the Board Members also interacts with the senior management team on various critical issues having impact on the Company's operation.

The details of familiarization program can be accessed from the Investor Tab on the website of the Company at: http://www.ambujacement.com/Upload/PDF/Familiarisation-Programme-for-Independent-Directors.pdf

2.7 Board Evaluation:

During the year under review, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board.

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

2.8 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 & in business practices, honest & ethical personal conduct, diversity, fairness & 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 2017. A declaration to that effect signed by the Managing Director & 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 authority delegated. Each Committee is guided by its Charter, which provides for the composition, scope, powers and duties & 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 6 meetings during the year 2017. 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	6
2.	Mr. Nasser Munjee	Independent	5
3.	Dr. Omkar Goswami	Independent	5
4.	Mr. Martin Kriegner	Non-Independent	3

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

B. Invitees / Participants:

1. The M.D. & 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 issues that comes up during discussions.
3. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.
4. The representatives of the Cost Auditors have attended 1 (one) Audit Committee Meeting when the Cost Audit Report was discussed.

5. The CFO and the Heads of Manufacturing and Marketing 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. & 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 & 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 and cost auditors considering their independence and effectiveness, and recommend the 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 & 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 & 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 & 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 2017, the Committee held 5 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	3
2.	Mr. Shailesh Haribhakti	Independent	5
3.	Dr. Omkar Goswami	Independent	5
4.	Mr. B.L. Taparia	Non-Independent	5
5.	Mr. Ajay Kapur	Managing Director & CEO	4

B. Invitees / Participants:

The CFO 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 & 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 & 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 & regulations by putting in place a robust compliance mechanism with adequate checks & balances and thus facilitates the management in practicing the highest standards of Corporate Governance.

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

3.3. Nomination and Remuneration Committee

A. Composition and Meetings:

The Nomination & Remuneration Committee comprises of the members as stated below. The Committee during the year ended on 31st December, 2017 had 4 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	4
3.	Mr. Shailesh Haribhakti	Independent	4
4.	Mr. Martin Kriegner	Non-Independent	4

B. Invitees/Participants:

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

C. Terms of Reference of the Nomination & 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 & in annual self-assessment of the Board's overall performance.

(v) Conduct Annual performance review of MD & 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.

Remuneration of Non-Executive Directors

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 & Remuneration Committee.

iii. The Nomination & 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 & 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 & 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 & 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 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 & 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 & CEO

i. At the time of appointment or re-appointment, the Managing Director & CEO shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director & 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 & CEO is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.

iv. In determining the remuneration (including the fixed increment and performance bonus) the Nomination & 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 & 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 & 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 & 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 & 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 & Sustainability Committee members have unanimously decided not to accept any sitting fees for the CSR & sustainability Committee meeting to be attended by them.

   In addition to the sitting fees, the Company also pays commission to the Non-Executive Directors for their overall engagement and contribution for the Company's business. The Commission is paid on a uniform basis to reinforce the principle of collective responsibility. Accordingly, the Company has provided for payment of commission of ₹ 20 lacs to each of the Non-Executive Directors who were in office for the whole of the financial year 2017 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 2017 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 & governance aspects, the Board based on the recommendation of the Nomination & 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, 2017 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	5.20	50.00	1,000
2.	Mr. Jan Jenisch (w.e.f 24.10.2017)	Nil	0.5	3.78	Nil
3.	Mr. Martin Kriegner	Nil	6.20	36.00	Nil
4.	Mr. Nasser Munjee	Nil	7.00	36.00	Nil
5.	Mr. Rajendra Chitale	Nil	12.10	45.00	Nil
6.	Mr. Shailesh Haribhakti	Nil	8.60	36.00	19,650
7.	Dr. Omkar Goswami	Nil	9.90	36.00	Nil
8.	Mr. Haigreve Khaitan	Nil	4.80	36.00	Nil
9.	Ms. Usha Sangwan	Nil	2.00	20.00	Nil
10.	Mr. Christof Hassig	Nil	4.50	20.00	Nil
11.	Mr. B. L. Taparia@	144.00	7.70	Nil	3,07,284
12.	Mr. Ajay Kapur, MD & CEO # ** $$	930.35	Nil	Nil	1,85,500
13.	Mr. Eric Olsen (resigned w.e.f. 21.09.2017)	Nil	1.50	14.41	Nil
	TOTAL	**1074.35**	**70.00**	**333.19**	**5,13,434**

@ The Board has extended the advisory services agreement of Mr. B.L. Taparia for a year from 1st November, 2017 and maintained the service fee at ₹ 12 Lakhs p.m.

\# Appointment of MD & 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.

** As approved by the Board and the Shareholders, the MD & CEO is entitled for the Performance Incentive (Bonus) upto maximum of 100% of his Annual Fixed Gross Remuneration. He is also entitled for such number of shares of LafargeHolcim Ltd. as may be decided by the Board / Executive Committee of LafargeHolcim Ltd.

$$ The amount of remuneration of the MD & CEO for the year 2017 shown hereinabove does not include the amount of Performance Incentive (Bonus) for FY 2017.

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, 2017, 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	2
3.	Mr. B.L. Taparia	Non–Independent	4
4.	Mr. Ajay Kapur	Managing Director & 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 & 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	23	23	Nil
Demat Queries	Nil	Nil	Nil	Nil
Miscellaneous Complaints	Nil	Nil	Nil	Nil
TOTAL	Nil	23	23	Nil

None of the complaints is pending for a period exceeding 30 days. All the requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

Over and above the aforesaid complaints, the Company and its Registrar & Share Transfer Agent have received around 7,114 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 & Sustainability Committee

The Company has constituted a CSR & 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 & 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 & Safety, Environment, Alternative Fuels & Raw Materials (AFR), Waste Management, Renewable Energy, Sustainable Construction Practices etc.

The Company has also formulated its, "CSR Policy", "Sustainability Policy", "CSR & 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, 2017, 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. N. S. Sekhsaria (Chairman)	Non-Independent	2
2.	Mr. Nasser Munjee	Independent	1
3.	Mr. Rajendra Chitale	Independent	2
4.	Mr. Martin Kriegner	Non-Independent	1
5.	Mr. B.L. Taparia	Non-Independent	2
6.	Mr. Ajay Kapur	Managing Director & CEO	2

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 & regulations governing the CSR and to periodically report to the Board of Directors.

d) review & monitor Sustainability initiatives & 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, 2017, 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	Nil
3.	Mr. Shailesh Haribhakti	Independent	2
4.	Dr. Omkar Goswami	Independent	2
5.	Mr. Ajay Kapur	Managing Director & 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 & 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. Five committee meetings were held during the year 2017. 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 & contingencies, schedule of implementation and safety & 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 & 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

During the year, a Special Committee of Directors, with majority of them being Independent, was constituted by the Board 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. The Committee is in the process of evaluating the business case of the Merger and will submit its recommendation to the Audit Committee and the Board.

During the year ended on 31st December, 2017, the 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. N. S. Sekhsaria	Non-Independent	2
3.	Mr. Christof Hassig	Non-Independent	3
4.	Mr. Nasser Munjee	Independent	1
5.	Dr. Omkar Goswami	Independent	3

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 & misconduct. The Companies Act, 2013 and the Listing Regulations, 2015 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 an 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 Line : 18002091005
- Fax Number : 022 – 66459796
- Written Communication to : P.O. Box No. 25, HO, Pune – 411 001
- Filing online report through : https://integrity.lafargeholcim.com

In order to instil 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 an 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 Mukhopadhyay – 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 & 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 2017, a total of 30 complaints have been filed. Of these, 7 complaints were pre-assessed by the EVC but did not warrant further investigation. 19 complaints were investigated and concluded whereas 4 complaints are 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.

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 & Time	Whether Special Resolution passed
2014 32nd AGM	At the Registered Office at Ambujanagar, Kodinar, Gujarat	8th April, 2015 (Thursday) at 10.30 am	No
2015 33rd AGM		14th April, 2016 (Thursday) at 10.30 am	Yes
2016 34th AGM		31st March, 2017 (Friday) at 10.30 am	Yes

(ii) Postal Ballot & E-voting:

The Company successfully completed the process of obtaining approval of its Members on two resolutions during the year 2017. 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
1.	Payment of additional performance bonus to Mr. Ajay Kapur, Managing Director & CEO, for the Corporate Financial Year 2016	1710042184	1709839161	99.99	203023	0.11
2.	Revision in the terms of payment of remuneration to Mr. Ajay Kapur, Managing Director & CEO	1710006144	1709838571	99.99	167573	0.01

<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 24th July, 2017 had appointed Mr. Surendra Kanstiya as the scrutinizer.

ii. The Company had completed the dispatch of the Postal Ballot Notice dated 17th August, 2017 together with Explanatory Statement on 23rd August, 2017 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 11th August, 2017.

iii. The voting under the Postal Ballot was kept open from 26th August, 2017 to 25th September, 2017 (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 25th September, 2017 had been considered for his scrutiny. Postal Ballot forms received after the date had not been considered.

vii. On 26th September, 2017, Mr. N. S. Sekhsaria, 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 http://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 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).

7. CEO / CFO Certification

The MD & 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 & CEO. However, the same is now 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 & 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 Compny'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 (MD&A) 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 & 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 & Date	:	Friday, 15th June, 2018
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	:	May, 2018
Second quarterly / Half yearly results	:	August, 2018
Third quarterly results	:	October, 2018
Annual results for the year ending on 31st December, 2018	:	February, 2019
Annual General Meeting for the year ending on 31st December, 2018	:	April, 2019

10.3 Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, the 9th April, 2018 till Friday, 13th April, 2018 (both days inclusive) for payment of final dividend.

10.4 Dividend Payment Date:

Dividend shall be paid to all the eligible shareholders from 19th June, 2018 onwards.

10.5 Dividend Policy:

The first issue of shares was made by the Company in the year 1985 at ₹10/- per share. Company is paying dividend from its very first full year of operation. From a modest dividend of 11% in 1987-88, the Company has been increasing dividend almost every year. This year, the Board has recommended total dividend of ₹ 3.60 per share (180%) including interim dividend of ₹ 1.60 per share (80%). During the last 5 years, the Company has 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)
2012	70	110	180	554.80
2013	70	110	180	556.34
2014	90	160	250	774.61
2015	80	60	140	434.53
2016	80	60	140	486.58

10.7 Listing of Shares & 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:

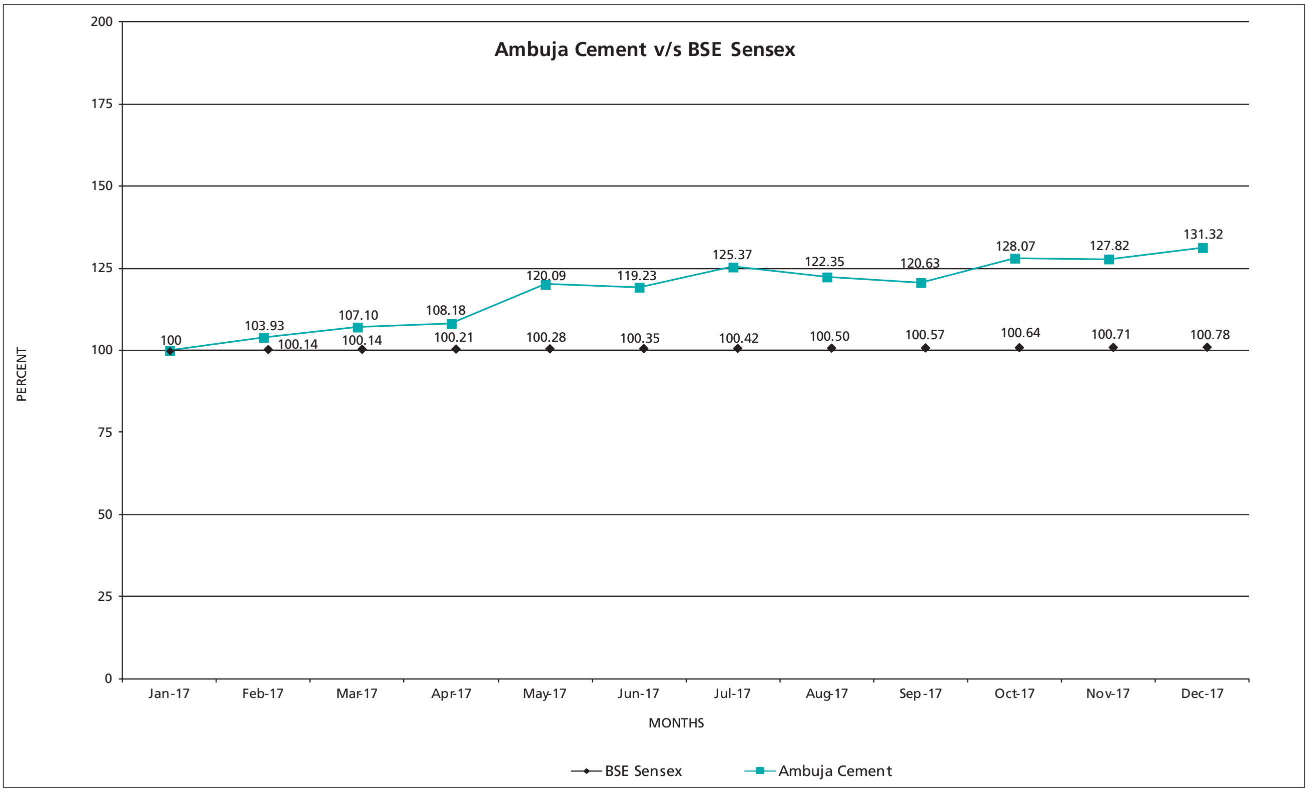
The Company has paid listing fees up to 31st March, 2018 to the Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE) where Company's shares are listed.

10.9 Market Price Data:

The high / low market price of the shares during the year 2017 at the Bombay Stock Exchange and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January-17	233.50	208.50	233.50	208.10
February-17	244.00	226.40	244.90	226.25
March-17	239.00	223.25	238.35	222.90
April-17	252.45	235.00	252.75	235.00
May-17	270.50	233.25	270.85	233.05
June-17	248.40	229.00	248.90	228.70
July-17	275.00	245.50	275.00	230.75
August-17	282.30	257.85	282.00	258.10
September-17	291.30	259.95	291.50	260.00
October-17	288.65	266.00	288.80	266.05
November-17	287.00	259.45	287.50	259.25
December-17	273.80	256.60	274.00	255.00

10.10 Performance in comparison to broad based indices:



10.11 Share Transfer Agents:

The details of the Registrar & 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.

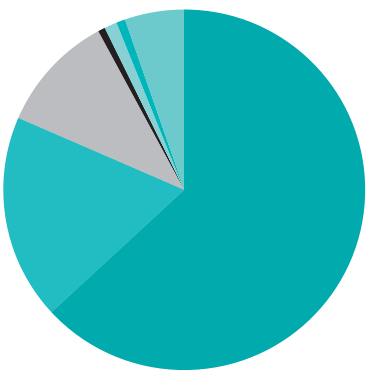
10.13 Distribution of Shareholding:

The shareholding distribution of the equity shares as on 31st December, 2017 is given below:-

No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
Less than 50	86833	2040364	0.10
51 to 100	25330	2235872	0.11
101 to 500	25367	6531263	0.33
501 to 1000	6776	5384642	0.27
1001 to 5000	12982	34395174	1.73
5001 to 10000	2536	18263272	0.92
10001 to 50000	1593	30933177	1.56
50001 to 100000	149	10906533	0.55
100001 to 500000	201	45464071	2.29
500001 & above	145	1829490861	92.14
TOTAL	**161912**	**1985645229**	**100.00**

10.14 Shareholding Pattern:

The shareholding of different categories of the shareholders as on 31st December, 2017 is given below:-



Category	No. of Shares	Percentage (%)
Foreign Promoters	1253156361	63.11
Foreign Investors (FIIs)	339500795	17.10
Mutual Fund, Banks & Financial Institution	236447228	11.91
OCBs, NRIs	11425661	0.58
Body Corporates	28572439	1.44
GDR Holders	14007233	0.71
Others	102535512	5.16
TOTAL	1985645229	100.00

10.15 Dematerialisation of Shares:

About 99.17% of total equity share capital is held in dematerialised form with NSDL and CDSL as on 31st December, 2017.

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, 14007233 GDRs are outstanding as on 31st December, 2017 which is listed on the Luxembourg Stock Exchange. The underlying shares representing the outstanding GDRs have already been included in equity share capital. Therefore, there will be no further impact on the equity share capital of the Company.

(ii) The Company has issued warrants which can be converted into equity shares. The year-end outstanding position of the rights shares / warrants that are convertible into shares and their likely impact on the equity share capital is as under:-

A. Rights entitlement kept in abeyance out of the Rights Issue of equity shares and warrants to equity shareholders made in the year 1992

Sr. No.	Issue Particulars	Conversion rate (₹ per share)	Likely impact on full conversion	
			Share Capital (₹ in Crores)	Share Premium (₹ in Crores)
(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 has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from market volatility in terms of price and availability. Risk Management Team of the company, based on intelligence and monitoring, forecast commodity prices and movements and takes decision to cover the risk. The aim of the company's approach to manage currency risk is to leave the company with no material residual risk. As regards import of goods and other raw materials, the Company decides about the hedging based on prevailing market conditions, macro-economic factors, duration of position etc. The company does not enter into any derivative instruments for trading or speculative purposes.

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 & Protection Fund

During the year under review, the final dividend amount for the year ended 31st December, 2009 and the interim dividend for the year 31st December, 2010 and the unpaid fractional amount pertaining to the ACEL shares, remaining unclaimed and unpaid 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 27,56,344 equity shares of the face value of ₹ 2/- each belonging to 25,951 shareholders underlying the unclaimed dividends considering the Interim Dividend declared for the financial year 2010 as the base. The market value of the shares transferred is ₹ 74.99 crore considering the share price as on 31st December, 2017.

The company has also initiated the process for transfer of the shares underlying the unclaimed / unpaid final dividend declared for the financial year 2010 as per the Rules. Members are requested to take note of the aforesaid notified sections of the Companies Act, 2013 and 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 2017	17293	2,467,326
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during 2017	76	45,951
Less: Number of shares Transferred to Investor Education & Protection Fund (IEPF)	14869	1,276,904
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2017	2348	1,144,471

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 http://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

Mumbai, February 05th, 2018 — Managing Director & CEO

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, 2017 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, February 13th, 2018

TO THE MEMBERS OF
AMBUJA CEMENTS LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated 5th April, 2017.

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, 2017, 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, 2017.

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, February 20th, 2018

Business Responsibility Report for the year 2017

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: 01.01.2017 to 31.12.2017
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
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital ₹ 397.13 Crores
2. Total Turnover ₹ 11214.87 Crores
3. Total profit after taxes ₹ 1249.57 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%):

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

The Company has spent ₹ 58.79 Crores during the Financial Year 2017 on CSR activities. This amounts to 4.70 % of Profit After Taxes (PAT) for the year 2017.

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:

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 (Amount ₹ In Crore)
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.	15.59
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.	19.81
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.	1.60
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	Non-Conventional, Biogas, Solar, Plantation, Water Resources, Watershed.	6.06
5	Rural development projects.	Rural Infrastructure Project	9.20
6	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	Protection of national heritage, art and culture.	5.00
7	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.	0.15
		Total	57.41
	Overheads	Overheads	**1.38**
			58.79

SECTION C: OTHER DETAILS

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

   Yes, the Company has 6 Subsidiary Companies as on 31st December, 2017.

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, 2017, 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	Indicate the link for the policy to be viewed online? www.ambujacement.com	https://www.ambujacement.com/Upload/PDF/Ethical-View-	https://www.ambujacement.com/Upload/PDF/Sustainability.pdf	https://www.ambujacement.com/Upload/PDF/CSR-Policy.pdf	https://www.ambujacement.com/Upload/PDF/Sustainability-Environment-and-energy.pdf	https://www.ambujacement.com/Sustainability/Stakeholder-engagement	https://www.ambujacement.com/Upload/PDF/CSR-Policy.Pdf http://www.ambujacement.com/Upload/PDF/Sustainability.pdf	–	https://www.ambujacement.com/Upload/PDF/Sustainability.pdf	https://www.ambujacement.com/Upload/PDF/Code-of-Conduct-and-business-ethics-english.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 30 complaints during the year 2017. Out of these 30 complaints, 7 complaints were pre-assessed by the EVC Committee but did not warrant further investigation. 19 complaints were investigated and concluded whereas 4 complaints are 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 2017, Clinker Factor is 66.4% with fly ash utilization of 31.5% in PPC, 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 2017)	Previous Year (Jan to Dec 2016)
Electricity (KWH/T of Cement)	100	77.65	77.366
LDO (Ltr/T of Clinker)	N.A.	0.15	0.15
Coal and other Fuels (K.Cal/Kg of Clinker)	800	759	753

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.

Ambuja Cements Limited (ACL) 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 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.

During the year 2016, Company had engaged PICS, leading Global Consultants, 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 OH & S, Labour, Environment and Bribery & Corruption.

We also have a system in place to ensure that transporters follow all the stipulated rules and regulations.

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. 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 OH & S requirements across all its plant locations.

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

We have fly ash 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 : 3728
- Blue Collar Employees : 1600
- **Total : 5328**

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis :**

- Total Contractual employees :
  - i. Shipping Sailing Staff : 98
  - ii Third Party : 6170

3. **Please indicate the Number of permanent women employees :**

- Permanent : 119
- On Probation : 12
- **Total : 131**

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

   The company has further identified the disadvantaged, vulnerable and marginalised stakeholders, namely the communities around its manufacturing sites and its workers/contractual workers and truck drivers. 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 does not have any policy on Human Rights for the time being. However, 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 documented Sustainability Policy which is available on our website. The policy has been reviewed in 2014. The policy enshrines commitment for climate change mitigation. Apart from this, we also have an updated 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. The Company proactively discloses its carbon emissions annually in the Carbon Disclosure Project [CDP]. Ambuja continued its good performance in CDP 2017. Scope-3 carbon emissions 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's website also contains information on our Sustainability endeavors.

   [See: www.ambujacement.com].

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

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

   Yes. The Company regularly assess the environmental risks emanating from our operations and as a part of the sustainability strategy implements initiatives to address these 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. The Company launched a comprehensive stakeholder engagement Materiality Review in 2015 to facilitate 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.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   Yes, the company participates in the Global Programme of Clean Development Mechanism (CDM). Our first project of the use of biomass for power generation at Ropar plant earned 17,727 CERs (Certified Emission Reduction) which could earn us ₹ 1.60 Crores 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 project will increase fuel usage efficiency, optimise power costs and meet our renewable power obligation. 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. 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 2017, we co-processed about 3.32 Lakh tons of alternative fuels substituting 4.22 % 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. Ambuja is the only cement company in India to receive such a certification.

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 6 (six) 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, climate change and sustainability. 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 WBCSD's India Water Tool.

   We applied for the CII Sustainability Awards, 2017 and have won one of the highest award - 'Outstanding Accomplishment'. In sustainability, under the category of Corporate Excellence. Even our Bhatapara , Chandrapur and Ambujanagar units 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.

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 ₹ 58.79 Crores on CSR in 2017. 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 20 lakh people across 22 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 81000 farmers. 22 Skill and Entrepreneurship Development Institutes (SEDIs) have trained over 36000 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 2017, the Ambujanagar Multispeciality Hospital reached out to about 48000 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). 1975 such SHGs have been formed with total 22835 members and a total corpus of INR 7.7 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 2017 we received 689 Customer queries/complaints through toll free number, all of them have been resolved.

As regards consumer cases, 19 consumer cases were pending before different Forums/Commissions/ Courts at the beginning of the year. During the year 1 consumer case was filed and 7 cases were disposed off leaving a balance of 13 pending cases as on end of the financial year 2017.

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.	The Company has filed appeal against the Order of Competition Commission of India before the Competition Appellate Tribunal. The Tribunal, vide Order dated 21st November, 2016 has stayed the operation of the Commission's Order, subject to deposit of 10% penalty in the form of Fixed Deposit of six month's duration. However, it was also ordered that if the Appeal is dismissed, then the balance amount of penalty shall have to be deposited with interest @ 12% per annum from the date of CCI's Order i.e. 31st August 2016. The arguments have been heard by the NCLAT and the final order is reserved.
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.	CCI vide Order dated 19th January 2017 has held cement companies including Ambuja Cements Ltd. guilty of violating provisions of the Competition Act and imposed penalty to the tune of 0.3% of the average turnover of last three financial years. Accordingly, the penalty on Ambuja works out to ₹29.84 Crores. The company has appealed against CCI's order and the same has been stayed. Final hearings are being held.

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. Last BEI survey was conducted towards the end 2014.

In response to the interaction with the end consumers and their feedback, the company has launched new products viz Ambuja PLUS ROOF SPECIAL for roofs and Ambuja PLUS COOL WALLS an alternative for clay bricks. These products have got good acceptance and repeat orders from the customers.

As a proof of concept we have initiated Net Promoter Survey for all direct customers in Trade as well as Building & Infra segment. In year 2017, we have conducted Pilot survey covering customers in selected Zones of all 3 Regions. This time the NPS survey was carried out through LH global partner in NPS_Satmetrix, a leading global player of customer experience management software.

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, 2017, 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.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is 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 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

1. We draw attention to the following matters in Notes 36A(iii)(a) & 36A(iii)(b) to the standalone Ind AS financial statements:

   a. In terms of order dated 31st August, 2016 the Competition Commission of India (CCI) has imposed a penalty of Rs. 1,163.91 crores for alleged contravention of the provisions of the Competition Act, 2002 by the Company. The Company has filed an appeal against the CCI order before the Competition Appellate Tribunal (COMPAT). The COMPAT has granted a stay on the CCI order on the condition that the Company deposits 10% of the penalty amount i.e. Rs. 116.39 crores, which has been deposited.

   b. In terms of the order dated 19th January, 2017 the CCI has imposed penalty of Rs. 29.84 crores pursuant to the reference filed by the Director, Supplies and Disposals, State of Haryana in August 2012 for alleged contravention of the provisions of the Competition Act, 2002 by the Company. An appeal has been filed with the COMPAT against the said order and an interim stay has been granted by the COMPAT in the matter.

   As per a recent amendment, the Competition Appellate Tribunal (COMPAT) has ceased to exist effective 26th May, 2017. The appellate function under the Competition Act, 2002 (Competition Act) is now conferred to the National Company Law Appellate Tribunal (NCLAT) and accordingly, the matters are now pending with NCLAT.

   Based on the advice of external legal counsel, no provision has been considered necessary by the Company in respect of these matters. Our report is not modified in respect of these matters.

2. We also draw attention to Note 54 to the Standalone Ind AS Financial Statements which describes the accounting for amalgamation of Holcim (India) Private Limited with the Company in accordance with then applicable accounting standards as per the scheme. Our report is not modified in respect of this matter.

Other Matter**s**

a) 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. 0.65 crores as at 31st December, 2017 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 these joint operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the report of such other auditors.

b) The comparative financial information of the Company for the year ended 31st December 2016 and the transition date opening balance sheet as at 1st January 2016 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated 8th December, 2017 expressed an unmodified opinion.

   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 these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements 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 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 as on 31st December, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2017 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 its joint operation which is a company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 36 and 37 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 the 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, 20th February, 2018

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, 2017)

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, 2017 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 Board 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 Company's internal financial controls over financial reporting 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 operations 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 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, 2017, based on the internal control over financial reporting criteria established by the respective 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.

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 on the corresponding report of the other auditors of the 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, 20th February, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the standalone Ind AS financial statements for the year ended December 31, 2017 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 December 31, 2017	Net Block as at December 31, 2017	Total number of cases	Remarks
Freehold land	2.56	2.47	102	Title deeds are in the name of the wholly owned subsidiary and entities taken over/ merged with the company.

(ii) The leasehold deeds of immovable properties (land and buildings thereof) are in the name of the Company as at the Balance Sheet date.

(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 to directors / to a company in which the 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 March 31, 2017 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. 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), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at December 31, 2017 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 December 31, 2017 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)				
			Commisionerate	Appellate authorities and Tribunal	High courts	Supreme court	Total
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Demand of sales tax/ Additional purchase tax	1988-2016	26.42	6.95	91.63	112.40	**237.40**
Customs Act, 1962	Demand of Customs Duty, interest and penalty	2000-2015	1.73	39.35	-	-	**41.08**
Central excise Act, 1944	Demand of Excise duty, Denial of Cenvat Credit, Interest and Penalty	1994-2016	6.47	18.55	0.71	2.16	**27.89**
Finance Act, 1994	Denial of service tax credit and penalty	2005-2013	5.48	101.51	0.01	-	**107.00**
Income Tax Act, 1961	Income tax and Interest	AY 2008-09 to AY 2013-14	396.36	-	-	-	**396.36**

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 financial institutions, banks and government. The Company has not issued any debentures.

(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, 20th February, 2018

Balance Sheet

As at 31st December, 2017

Standalone

Particulars	Notes	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
ASSETS				
1 Non-current assets				
a) Property, plant and equipment	4	**5,693.45**	5,923.22	6,031.96
b) Capital work-in-progress		**397.92**	320.02	414.10
c) Goodwill	5	**-**	-	235.63
d) Other intangible assets	5A	**28.54**	18.39	19.49
e) Investments in subsidiaries and joint venture	6	**11,815.10**	11,815.10	11,801.43
f) Financial assets				
i) Investments	6A	**29.60**	29.60	29.60
ii) Loans	7	**66.52**	64.94	63.63
iii) Other financial assets	8	**47.18**	47.18	25.50
g) Non-current tax assets (net)		**79.65**	70.43	83.02
h) Other non-current assets	8A	**967.00**	850.20	863.43
Total - Non-current assets		**19,124.96**	19,139.08	19,567.79
2 Current assets				
a) Inventories	9	**1,052.50**	937.54	895.45
b) Financial assets				
i) Trade receivables	10	**307.97**	395.77	286.36
ii) Cash and cash equivalents	11	**3,310.64**	2,395.76	5,131.78
iii) Bank balances other than cash and cash equivalents	12	**186.43**	182.76	60.16
iv) Loans	13	**30.29**	35.02	37.96
v) Other financial assets	14	**66.69**	52.60	55.53
c) Other current assets	15	**537.65**	214.18	213.45
		5,492.17	4,213.63	6,680.69
d) Assets classified as held for sale		**0.06**	0.06	0.85
Total - Current assets		**5,492.23**	4,213.69	6,681.54
TOTAL - ASSETS		**24,617.19**	23,352.77	26,249.33
EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	16	**397.13**	397.13	310.38
b) Share suspense account	16A	**-**	-	86.75
c) Other equity	17	**19,576.08**	18,959.74	18,684.25
Total Equity		**19,973.21**	19,356.87	19,081.38
Liabilities				
1 Non-current liabilities				
a) Financial liabilities				
i) Borrowings	18	**24.12**	15.73	19.96
ii) Other financial liabilities	19	**1.75**	2.24	2.81
b) Provisions	20	**35.23**	43.28	32.38
c) Deferred tax liabilities (net)	21	**458.36**	497.25	589.91
d) Other non-current liabilities	22	**7.19**	5.71	3.18
Total - Non-current liabilities		**526.65**	564.21	648.24
2 Current liabilities				
a) Financial liabilities				
i) Trade payables	53	**1,028.86**	815.34	658.80
ii) Other financial liabilities	23	**514.30**	544.85	3,959.40
b) Other current liabilities	24	**1,490.93**	1,097.08	1,039.57
c) Provisions	25	**87.08**	88.08	82.94
d) Current tax liabilities (Net)		**996.16**	886.34	779.00
Total - Current liabilities		**4,117.33**	3,431.69	6,519.71
Total Liabilities		**4,643.98**	3,995.90	7,167.95
TOTAL - EQUITY AND LIABILITIES		**24,617.19**	23,352.77	26,249.33

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, 20th February, 2018

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman & Principal Founder

Rajendra P. Chitale
Chairman - Audit Committee

Martin Kriegner
Director

Shailesh Haribhakti
Director

B. L. Taparia
Director

Omkar Goswami
Director

Haigreve Khaitan
Director

Usha Sangwan
Director

Ajay Kapur
Managing Director & Chief Executive Officer

Statement of profit and loss

For the year ended 31st December, 2017

Particulars	Notes	2017 ₹ in crore	2016 ₹ in crore
1 Income			
a) Revenue from operations	26	**11,214.87**	10,500.84
b) Other income	27	**359.09**	510.21
Total Income		**11,573.96**	11,011.05
2 Expenses			
a) Cost of materials consumed	28	**909.33**	776.68
b) Changes in inventories of finished goods, work-in progress and stock -in-trade	29	**(62.83)**	(30.19)
c) Excise duty	56	**768.02**	1,304.20
d) Employee benefits expense	30	**661.37**	590.93
e) Finance costs	31	**107.19**	74.24
f) Depreciation and amortisation expense	32	**572.92**	848.85
g) Power and fuel		**2,234.20**	1,831.96
h) Freight and forwarding expense	33	**2,871.98**	2,472.84
i) Other expenses	34	**1,893.67**	1,863.79
		9,955.85	9,733.30
j) Self consumption of cement (net of excise duty)		**(1.01)**	(1.72)
Total Expenses		**9,954.84**	9,731.58
3 Profit before tax (1-2)		**1,619.12**	1,279.47
4 Tax expense			
For the current year			
Current tax		**412.00**	424.75
Deferred tax - charge / (credit)		**(18.33)**	(88.00)
Relating to earlier years			
Current tax - charge / (credit)		**(1.33)**	14.48
Deferred tax - charge / (credit)		**(22.79)**	(4.00)
		369.55	347.23
5 Profit after tax (3-4)		**1,249.57**	932.24
6 Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Remeasurement gain / (losses) on defined benefit plans		**5.64**	(1.90)
Tax adjustment on above		**(2.23)**	0.66
Total other comprehensive income		**3.41**	(1.24)
7 Total comprehensive income for the year (5+6)		**1,252.98**	931.00
8 Earnings per share (in ₹) (of ₹ 2 each)	35		
Basic		**6.29**	4.69
Diluted		**6.29**	4.69

See accompanying notes to the financial statements

In terms of our report attached

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Chartered Accountants

B. P. Shroff
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Mumbai, 20th February, 2018

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Director

Usha Sangwan
Director

Ajay Kapur
Managing Director & Chief Executive Officer

Statement of changes in equity for the year ended 31st December, 2017

₹ in crore

Particulars	As at 31.12.2017	As at 31.12.2016
A Equity share capital		
Opening balance	**397.13**	310.38
Changes in equity share capital during the year, pursuant to the scheme of amalgamation (Refer note 54)		
Shares of the Company held by HIPL, cancelled	**-**	(30.13)
Shares issued	**-**	116.88
Closing balance	**397.13**	397.13
B Share suspense account		
Opening balance	**-**	86.75
Adjustments pursuant to the scheme of amalgamation (Refer note 54)		
Shares of the Company held by HIPL, cancelled	**-**	30.13
Shares issued	**-**	(116.88)
Closing balance	**-**	-

C Other Equity

₹ in crore

Particulars	Reserves and surplus						
	General reserve (refer note a)	Capital redemption reserve (refer note b)	Capital reserve (refer note c)	Subsidy (refer note d)	Securities premium account (refer note e)	Retained earnings	Total other equity
Balance as at 1st January, 2016	6,505.83	9.93	130.71	5.02	12,478.32	(445.56)	18,684.25
Adjustments pursuant to scheme of amalgamation (Refer note 54)							
Interim equity dividend paid by HIPL including tax thereon	-	-	-	-	-	(199.96)	(199.96)
Inter-company elimination of dividend	-	-	-	-	-	74.69	74.69
Share issue expenses (net of tax of ₹ 3.82 crore)	-	-	-	-	(7.25)	-	(7.25)
Transfer from general reserve to retained earnings	(850.00)	-	-	-	-	850.00	-
Profit for the period	-	-	-	-	-	932.24	932.24
Other comprehensive income (net of tax expenses)	-	-	-	-	-	(1.24)	(1.24)
Equity dividend including dividend distribution tax (Refer note 46)	-	-	-	-	-	(522.99)	(522.99)
Balance as at 31st December, 2016	5,655.83	9.93	130.71	5.02	12,471.07	687.18	18,959.74
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 period	**-**	**-**	**-**	**-**	**-**	**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 46)	**-**	**-**	**-**	**-**	**-**	**(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**

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 provision 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) Subsidy

These are capital subsidies received from the Government and various authorities.

e) Securities Premium Account

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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B. P. Shroff
Partner

Mumbai, 20th February, 2018

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
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For and on behalf of the Board

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Director

Ajay Kapur
Managing Director & Chief Executive Officer

Cash Flow Statement

For the year ended 31st December, 2017

Particulars	2017 ₹ in crore	2016 ₹ in crore
Cash flows from operating activities		
Profit before tax	**1,619.12**	1,279.47
Adjustment for		
Depreciation and amortisation expense	**572.92**	848.85
Loss / (profit) on property, plant & equipment sold, discarded and written off (net)	**6.41**	5.93
Dividend income from subsidiary company	**(159.77)**	(159.72)
Dividend income from joint venture company	**(2.25)**	(1.24)
Net gain on liquid mutual fund measured through FVTPL	**(79.16)**	(137.16)
Finance costs	**107.19**	74.24
Interest income	**(112.98)**	(177.93)
Interest on income tax written back	**-**	(21.04)
Provision for slow and non-moving spares	**(10.24)**	4.36
Discounting income on pre-payment of value added tax loan	**(4.98)**	(8.42)
Discounting income on interest free loan	**(4.01)**	(5.90)
Unrealised exchange (gain) / loss (net)	**(0.65)**	0.12
Provisions no longer required written back	**(2.54)**	(7.14)
Inventories written off	**3.04**	4.73
Bad debts, sundry debit balances and claims written off / written back (net)	**0.83**	0.58
Other non-cash items	**-**	2.36
Operating profit before working capital changes	**1,932.93**	1,702.09
Adjustment for		
Trade receivables, loans and other assets	**(224.91)**	55.89
Inventories	**(107.76)**	(51.19)
Trade payables, other liabilities and provisions	**563.94**	27.75
	231.27	32.45
Cash generated from operations	**2,164.20**	1,734.54
Direct taxes paid (net of refunds) (Refer note 1 in cash flow)	**(310.07)**	(318.71)
Net cash flow from operating activities (A)	**1,854.13**	1,415.83
Cash flows from investing activities		
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)	**(562.32)**	(391.05)
Proceeds from sale of property, plant & equipment	**1.94**	7.89
Acquisition of equity shares in HIPL (Refer note 54)	**-**	(3,500.27)
Acquisition of equity shares in subsidiary	**-**	(13.67)
Inter corporate deposits and loans given to subsidiaries	**(0.10)**	(0.25)
Inter corporate deposits and loans repaid by subsidiaries	**4.64**	-
Net gain on liquid mutual fund measured through FVTPL	**56.16**	136.69
Unclaimed sale proceeds of the odd lot shares of erstwhile Ambuja Cement Eastern Limited (ACEL) and Ambuja Cements Rajasthan Limited (ACRL)	**-**	(0.01)
Investments in bank deposits (having original maturity of more than three months)	**(2.89)**	(146.26)
Redemption / maturity of bank deposits (having original maturity of more than three months)	**0.15**	0.03
Dividend received from subsidiary company	**159.77**	159.72
Dividend received from joint venture company	**2.25**	1.24
Interest received (including Interest on Income tax)	**126.81**	276.88
Net cash used in investing activities (B)	**(213.59)**	(3,469.06)

Cash Flow Statement

Particulars	2017 ₹ in crore	2016 ₹ in crore
Cash flows from financing activities		
Stamp duty paid on HIPL merger, adjusted in equity	**-**	(11.07)
Proceeds from non-current borrowings	**10.50**	14.13
Repayment of non-current borrowings	**(13.23)**	(10.06)
Discounting income on pre-payment of value added tax loan	**4.98**	8.42
Interest paid	**(114.28)**	(35.95)
Net movement in earmarked balances with banks	**(0.93)**	(0.49)
Dividend paid on equity shares	**(555.04)**	(551.59)
Tax on equity dividend paid	**(80.66)**	(96.65)
Net cash used in financing activities (C)	**(748.66)**	(683.26)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**891.88**	(2,736.49)
Cash and cash equivalents		
Cash and cash equivalents at the end of the year (Refer note 11)	**3,310.64**	2,395.76
Adjustment for fair value gain on liquid mutual funds measured through profit and loss	**(23.00)**	(0.47)
	3,287.64	2,395.29
Cash and cash equivalents at the beginning of the year (Refer note 11)	**2,395.76**	5,131.78
Net increase / (decrease) in cash and cash equivalents	**891.88**	(2,736.49)

Notes :

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. In the current year the company has converted 13% compulsorily convertible preference shares, its investment in Counto Microfine Products Private Limited for consideration other than cash.

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, 20th February, 2018

For and on behalf of the Board

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Managing Director & Chief Executive Officer

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. Up to the year ended 31st December, 2016 the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (previous GAAP) which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These financial statements for the year ended 31st December, 2017 are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st January, 2016 (transition date). Details of the principal adjustments along with related reconciliations are detailed in note 55 (first-time adoption).

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 asset 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.

Financial statements are presented in ₹ which is the functional currency of the Company and all values are rounded to the nearest crore, 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. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

II. Spares which meet the definition of property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the statement of profit and loss.

III. Property, plant and equipment not ready for the 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 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 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 reserve embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
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. 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 of 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 life.

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 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 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 assets 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 finished goods includes excise duty, as applicable. 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 or 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 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 recognized 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. Associate

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 operation**

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 recognizes 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 profit or 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, investment 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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. 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 banks and financial institutions and other 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 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 recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. **Debt instruments, liquid mutual funds, derivatives and equity instruments at fair value through the statement of profit and loss (FVTPL)**

Debt instruments, liquid mutual funds, derivatives and equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

This category comprises investments in liquid mutual funds and investment in equity instruments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

iv. **Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity.

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 or FVTOCI.

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 its 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) recognized during the period is recognized as income / expense in the statement of profit and loss. This amount is reflected in a separate line in the P&L as an impairment gain or 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 liability 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 deposits from dealer, transporter & contractor, staff related and other payables.

ii. Subsequent measurement of financial liabilities

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 costs of an asset is included in the 'Finance costs' line item.

The effective interest 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.

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.

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 the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Company does not recognize 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 disclosed 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.

II. **Rendering of services**

Revenue from services is recognised (net of service tax / goods and services 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 of 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 profit or 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. 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.

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 Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes 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 consist 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.

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 the statement of profit and 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

Deferred tax assets include Minimum Alternate Tax (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 credit 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.

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 recognized 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 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 relate primarily to defined benefit obligations, useful life of property, plant and equipment, revenue recognition, fair value measurement of financial instruments and mines restoration at the end of the reporting period.

I. Defined benefit obligations

The cost of defined benefit gratuity plans, post-retirement medical benefit and death & 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.

II. 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.

III. 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.

IV. 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.

V. 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.

VI. 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 specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

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.

VIII. 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.

IX. 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.

Note 4 - Property, plant and equipment

₹ in crore

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 (g)
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
Marine structures (b)	24.39	-	-	24.39	3.82	3.83	-	7.65	16.74
Plant and equipment (owned) (c)	3,898.31	169.27	8.52	4,059.06	466.56	436.51	1.90	901.17	3,157.89
Railway sidings and locomotives (d)	46.03	0.97	-	47.00	7.02	4.90	-	11.92	35.08
Furniture and fixtures	19.94	1.40	0.08	21.26	3.79	3.49	0.03	7.25	14.01
Office equipment	47.50	9.39	0.82	56.07	15.04	13.42	0.76	27.70	28.37
Ships	126.42	0.22	-	126.64	7.62	7.64	-	15.26	111.38
Vehicles	62.72	24.41	1.05	86.08	9.32	10.80	0.41	19.71	66.37
Total	6,533.72	350.09	11.47	6,872.34	610.50	571.51	3.12	1,178.89	5,693.45

Particulars	As at 31.12.2016								
	Gross block				Accumulated depreciation				Net block
	Deemed cost as at 1st January, 2016 (Refer note 5B)	Additions	Deductions/ Transfers	As at 31st December, 2016	As at 1st January, 2016	Charge for the year (e)	Deductions/ Transfers	As at 31st December, 2016	As at 31st December, 2016(g)
Freehold non-mining land	341.23	8.29	0.01	349.51	-	-	-	-	349.51
Freehold mining land	409.79	52.34	-	462.13	-	8.03	-	8.03	454.10
Leasehold land	55.15	-	3.92	51.23	-	0.58	0.01	0.57	50.66
Buildings, roads and water works (a)	1,330.33	115.33	0.12	1,445.54	-	88.73	-	88.73	1,356.81
Marine structures (b)	24.39	-	-	24.39	-	3.82	-	3.82	20.57
Plant and equipment (owned) (c)	3,617.70	291.52	10.91	3,898.31	-	467.89	1.33	466.56	3,431.75
Railway sidings and locomotives (d)	32.09	13.94	-	46.03	-	7.02	-	7.02	39.01
Furniture and fixtures	17.01	2.95	0.02	19.94	-	3.80	0.01	3.79	16.15
Office equipment	38.67	8.96	0.13	47.50	-	15.13	0.09	15.04	32.46
Ships	126.42	-	-	126.42	-	7.62	-	7.62	118.80
Vehicles	39.18	25.66	2.12	62.72	-	9.65	0.33	9.32	53.40
Total	6,031.96	518.99	17.23	6,533.72	-	612.27	1.77	610.50	5,923.22

Note 5 - Goodwill

₹ in crore

Particulars	As at 31.12.2017								
	Gross block				Accumulated amortisation				Net block
	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	As at 31st, December, 2017
Goodwill (f)	235.63	-	-	235.63	235.63	-	-	235.63	-
Total	235.63	-	-	235.63	235.63	-	-	235.63	-
Note 5A - 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

Note 5 - Goodwill

Particulars	As at 31.12.2016								
	Gross block				Accumulated amortisation				Net block
	Deemed cost as at 1st January, 2016 (Refer note 5B)	Additions	Deductions/ Transfers	As at 31st December, 2016	As at 1st January, 2016	Charge for the year	Deductions/ Transfers	As at 31st December, 2016	As at 31st, December, 2016
Goodwill (f)	235.63	-	-	235.63	-	235.63	-	235.63	-
Total	235.63	-	-	235.63	-	235.63	-	235.63	-
Note 5A - Other intangible assets									
Mining rights	19.18	-	-	19.18	-	1.08	-	1.08	18.10
Water drawing rights	0.31	-	-	0.31	-	0.02	-	0.02	0.29
Computer software	-	-	-	-	-	-	-	-	-
Total	19.49	-	-	19.49	-	1.10	-	1.10	18.39

Note 5B - Deemed cost as at 1st January, 2016

₹ in crore

Particulars	As at 01.01.2016				
	Gross block	Accumulated Depreciation	Net block considered as deemed cost	Ind AS adjustments (Refer note 55)	Deemed cost as per PPE schedule
a) Property, plant and equipment					
Freehold non-mining land	341.23	-	341.23	-	341.23
Freehold mining land	451.33	41.54	409.79	-	409.79
Leasehold land	138.14	23.23	114.91	(59.76)	55.15
Buildings, roads and water works (a)	1,847.91	517.58	1,330.33	-	1,330.33
Marine structures (b)	98.46	74.07	24.39	-	24.39
Plant and equipment (c)	8,417.59	4,799.89	3,617.70	-	3,617.70
Railway sidings and locomotives (d)	84.13	52.04	32.09	-	32.09
Furniture and fixtures	50.21	33.20	17.01	-	17.01
Office equipment	145.25	106.58	38.67	-	38.67
Ships	253.08	126.66	126.42	-	126.42
Vehicles	118.07	78.89	39.18	-	39.18
Total	11,945.40	5,853.68	6,091.72	(59.76)	6,031.96
b) Intangible assets					
Mining rights	-	-	-	19.18	19.18
Water drawing rights	6.16	5.85	0.31	-	0.31
Computer software	61.09	61.09	-	-	-
	67.25	66.94	0.31	19.18	19.49
Goodwill (f)	2,827.48	2,591.85	235.63	-	235.63
Total	14,840.13	8,512.47	6,327.66	(40.58)	6,287.08

Notes :

a) Includes

i) Premises on ownership basis of ₹ 84.57 crore (31st December, 2016 - ₹ 84.57 crore; 1st January, 2016 - ₹ 84.57 crore) and ₹ 3.21 crore (31st December, 2016 - ₹ 1.61 crore; 1st January, 2016 - ₹ Nil) being accumulated depreciation thereon and cost of shares in co-operative societies are ₹ 12,630 (31st December, 2016 - ₹ 12,630; 1st January, 2016 - ₹ 12,630).

ii) ₹ 15.31 crore (31st December, 2016 - ₹ 15.31 crore; 1st January, 2016 - ₹ 14.40 crore) being cost of roads constructed by the Company, the ownership of which vests with the government/local authorities and ₹ 7.83 crore (31st December, 2016 ₹ 5.07 crore; 1st January, 2016 - Nil) being accumulated depreciation thereon.

b) Cost incurred by the Company, the ownership of which vests with the state maritime boards.

c) Includes ₹ 70.61 crore (31st December, 2016 - ₹ 69.96 crore; 1st January, 2016 - ₹ 69.96 crore) being cost of power lines incurred by the Company, the ownership of which vests with the state electricity boards and ₹ 4.43 crore (31st December, 2016 - ₹ 2.21 crore; 1st January, 2016 - ₹ Nil) being accumulated depreciation thereon.

d) Includes ₹ 11.75 crore (31st December, 2016 - ₹ 11.75 crore; 1st January, 2016 - ₹ 11.75 crore) being cost of railway sidings incurred by the Company, the ownership of which vests with the railway authorities and ₹ 3.08 crore (31st December, 2016 - ₹ 1.77 crore; 1st January, 2016 - ₹ Nil) being accumulated depreciation thereon.

e) Includes ₹ 0.15 crore (31st December, 2016 - ₹ 0.15 crore; 1st January, 2016 - ₹ Nil) capitalised as pre-operative expenses.

f) Pertains to goodwill pursuant to amalgamation of HIPL with the Company ₹ Nil (31st December, 2016 - ₹ Nil; 1st January, 2016 ₹ 235.63 crore) (Refer note 54).

g) As per the website of the Ministry of Corporate affairs, certain charges aggregating ₹ 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.

Notes to Financial Statements

Particulars	Face value ₹	As at 31.12.2017 No. of shares/bonds	As at 31.12.2017 ₹ in crore	As at 31.12.2016 No. of shares/bonds	As at 31.12.2016 ₹ in crore	As at 01.01.2016 No. of shares/bonds	As at 01.01.2016 ₹ in crore
Note 6 - Investments in subsidiaries and joint ventures							
Investments carried at cost							
Investment in subsidiaries							
Quoted							
In fully paid equity shares							
ACC Limited (Refer note 54)	10	**93,984,120**	**11,737.80**	93,984,120	11,737.80	93,888,120	11,724.13
Unquoted							
In fully paid equity shares							
Kakinada Cements Limited (Liquidated during the year ended December 2016)			**-**		-	100,000	0.10
Less : impairment in value of investments			**-**		-		0.10
			-		-		-
M.G.T. Cements Private Limited	10	**750,000**	**3.05**	750,000	3.05	750,000	3.05
Chemical Limes Mundwa Private Limited	10	**5,140,000**	**6.47**	5,140,000	6.47	5,139,990	6.47
OneIndia BSC Private Limited	10	**2,501,000**	**2.50**	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	2,029,135	24.75
Dirk India Private Limited (Refer note 50(B))	10	**2,075,383**	**23.03**	2,075,383	23.03	2,075,383	23.03
			59.80		59.80		59.80
Investment in joint venture							
Unquoted							
In fully paid equity shares							
Counto Microfine Products Private Limited	10	**9,010,002**	**17.50**	4,010,002	10.00	4,010,002	10.00
In fully paid 13% compulsorily convertible preference shares							
Counto Microfine Products Private Limited	10	**-**	**-**	7,500,000	7.50	7,500,000	7.50
Total			**11,815.10**		11,815.10		11,801.43
Note 6A - Non-current investments							
A. Investments carried at amortised cost							
Unquoted							
Government and trust securities							
* National Savings Certificate ₹ 36,500 (31st December, 2016 - ₹ 36,500; 1st January 2016 - ₹ 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**	296	29.60	296	29.60
Total (A)			**29.60**		29.60		29.60

* Denotes amount less than ₹ 50,000

Notes to Financial Statements

Note 6A - Non-current investments

Particulars	Face value ₹	As at 31.12.2017		As at 31.12.2016		As at 01.01.2016	
		No. of shares	**₹ in crore**	No. of shares	₹ in crore	No. of shares	₹ in crore
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	-	1,000,000	-
Total (B)			**-**		-		-
Total Investments carrying value (A + B)			**29.60**		29.60		29.60
Total Investments carrying value (6 + 6A)			**11,844.70**		11,844.70		11,831.03

₹ in crore

Particulars	Book value as at			Market value as at		
	31.12.2017	31.12.2016	01.01.2016	**31.12.2017**	31.12.2016	01.01.2016
Aggregate amount of quoted investments	**11,737.80**	11,737.80	11,724.13	**16,521.47**	12,435.70	13,177.67
Aggregate amount of unquoted investments	**106.90**	106.90	107.00	**-**	-	-
	11,844.70	11,844.70	11,831.13	**16,521.47**	12,435.70	13,177.67
Less : aggregate provision for diminution in value of investments	**-**	-	0.10	**-**	-	-
Total	**11,844.70**	11,844.70	11,831.03	**16,521.47**	12,435.70	13,177.67

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 7 - Non-current loans			
Unsecured, considered good			
Security deposits	**52.65**	50.90	51.63
Loans to related party	**12.06**	12.06	10.20
Others	**1.81**	1.98	1.80
	66.52	64.94	63.63
Unsecured, considered doubtful			
Loans to related party	**0.89**	0.83	0.83
Less : allowance for doubtful loans	**0.89**	0.83	0.83
	-	-	-
Total	**66.52**	64.94	63.63

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 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 8 - Other non-current financial assets			
Bank deposits with more than 12 months maturity	**47.18**	47.18	23.05
Others	**-**	-	2.45
Total	**47.18**	47.18	25.50
Note 8A - Other non-current assets			
Unsecured, considered good			
Capital advances	**464.57**	330.07	372.35
Advances other than capital advances			
Security deposit against Government dues / liabilities	**179.81**	179.27	160.63
Prepayments under operating leases	**36.87**	37.90	39.24
Advances recoverable other than in cash	**29.89**	30.87	34.69
Incentives receivable under government incentive schemes	**255.86**	272.09	256.52
	967.00	850.20	863.43
Unsecured, considered doubtful			
Capital advances	**6.64**	6.33	4.86
Advances recoverable other than in cash	**6.79**	7.06	7.16
Incentives receivable under Government incentive Schemes	**31.84**	31.84	31.84
	45.27	45.23	43.86
Less : allowance for doubtful receivables	**45.27**	45.23	43.86
	-	-	-
Total	**967.00**	850.20	863.43

No 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 receivables are due by firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 9 - Inventories			
At lower of cost and net realisable value			
Raw materials (including in transit - ₹ 0.28 crore; 31st December, 2016 - ₹ 1.26 crore; 1st January, 2016 - ₹ 1.14 crore)	**57.11**	65.82	62.14
Work-in-progress	**303.53**	207.68	203.78
Finished goods	**77.89**	110.91	84.62
Stores & spares (including in transit - ₹ 3.84 crore; 31st December, 2016 - ₹5.29 crore; 1st January, 2016 - ₹ 3.51 crore)	**223.66**	206.92	194.55
Coal and fuel (including in transit - ₹ 5.37 crore; 31st December, 2016 - ₹ 37.14 crore; 1st January, 2016 - ₹ 0.61 crore)	**372.14**	331.90	336.83
Packing materials (including in transit - ₹ 0.82 crore; 31st December, 2016 - ₹ 0.09 crore; 1st January, 2016 - ₹ 0.26 crore)	**18.17**	14.31	13.53
Total	**1,052.50**	937.54	895.45

The Company provided for write down / (write back) of the value of Inventories in the statement of profit and loss amounting to ₹ (10.24) crore; previous year - ₹ 4.37 crore.

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 10 - Trade receivables			
Secured, considered good	**115.03**	210.76	79.53
Unsecured, considered good	**192.94**	185.01	206.83
Unsecured, considered doubtful	**5.86**	5.30	8.38
	313.83	401.07	294.74
Less : allowance for doubtful trade receivables	**5.86**	5.30	8.38
Total	**307.97**	395.77	286.36
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.			
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.			
Note 11 - Cash and cash equivalents			
Balances with banks			
In current accounts	**216.98**	207.39	156.85
Deposit with original maturity upto 3 months	**1,475.15**	1,022.85	2,689.00
Cheques on hand	**35.25**	-	-
Cash on hand	**0.04**	0.03	0.22
Deposit given to Housing Development Finance Corporation Limited	**100.00**	100.00	100.00
Investments in liquid mutual funds	**1,483.22**	1,065.49	2,185.71
Total	**3,310.64**	2,395.76	5,131.78
Note 12 - Bank balances other than cash and cash equivalents			
Earmarked balances with banks #	**25.67**	24.74	24.25
Fixed deposit with banks (Original maturity more than 3 months and upto 12 months)*	**160.76**	158.02	35.91
Total	**186.43**	182.76	60.16
# These balances represent unpaid dividend liabilities of the Company and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ARCL, not available for use by the Company.			
*These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 119.16 crore (31st December, 2016 - ₹ 116.39 crore, 1st January, 2016 - NIL) and other deposits given as security against bank guarantees.			
Note 13 - Current loans			
Unsecured, considered good			
Loans to related party	**26.73**	31.27	32.88
Others	**3.56**	3.75	5.08
Total	**30.29**	35.02	37.96
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 14 - Other current financial assets			
Interest accrued on loan to subsidiary	**11.70**	8.51	8.48
Interest accrued on investments	**2.62**	1.11	1.11
Interest accrued on fixed deposit	**18.02**	13.49	21.05
Others	**34.35**	29.49	24.89
Total	**66.69**	52.60	55.53

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 15 - Other current assets			
Unsecured, considered good			
Advances other than capital advances			
Advances	**199.63**	114.85	79.23
Balance with government authorities	**236.22**	74.13	87.98
Prepaid expenses	**12.63**	13.40	14.07
Prepayments under operating leases	**1.31**	1.35	1.34
Others	**0.92**	1.97	1.20
Incentives receivable under Government incentive schemes	**86.94**	8.48	29.63
Total	**537.65**	214.18	213.45

No 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 receivables are due by firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 16 - Equity share capital			
Authorised			
40,000,000,000 (31st December, 2016 - 40,000,000,000; 1st January, 2016 - 2,500,000,000) Equity shares of ₹ 2 each*	**8,000.00**	8,000.00	500.00
150,000,000 (31st December, 2016 - 150,000,000; 1st January, 2016 - 150,000,000) Preference shares of ₹ 10 each	**150.00**	150.00	150.00
Total	**8,150.00**	8,150.00	650.00
Issued			
1,985,971,749 (31st December, 2016 - 1,985,971,749; 1st January, 2016 - 1,552,223,941) Equity shares of ₹ 2 each fully paid up	**397.19**	397.19	310.44
Total	**397.19**	397.19	310.44
Subscribed and paid-up			
1,985,645,229 (31st December, 2016 - 1,985,645,229; 1st January, 2016 - 1,551,897,421) Equity shares of ₹ 2 each fully paid	**397.13**	397.13	310.38
Total	**397.13**	397.13	310.38

* Consequent to and as part of the amalgamation of Holcim (India)Private Limited(HIPL) with the Company during the previous year ended 31st December, 2016, the authorised equity share capital of the Company stands increased to ₹ 8,000 crore made up of 40,000,000,000 equity shares of ₹ 2 each from "effective date" 12th August, 2016. (Refer note 54)

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2017		As at 31.12.2016	
	No. of shares	₹ in crore	No. of shares	₹ in crore
Reconciliation of equity shares outstanding				
At the beginning of the year	**1,985,645,229**	**397.13**	1,551,897,421	310.38
Less : Shares of the Company held by HIPL, cancelled pursuant to the Scheme of amalgamation (Refer note 54)	-	-	150,670,120	30.13
Add : Shares issued pursuant to the Scheme of amalgamation (Refer note 54)	-	-	584,417,928	116.88
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.

Note 16 - Equity share capital

c) Equity shares held by holding Company, ultimate holding Company and their subsidiaries

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
i) Holderind Investments Limited, Mauritius (Refer note 54)			
1,253,156,361 (31st December, 2016 - 1,253,156,361; 1st January, 2016 - 629,638,433) Equity shares of ₹ 2 each fully paid-up	**250.63**	250.63	125.93
ii) Holcim (India) Private Limited, amalgamated with the Company (Refer note 54)			
Nil (31st December, 2016 - Nil; 1st January, 2016 - 150,670,120) Equity shares of ₹ 2 each fully paid-up	**-**	-	30.13

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2017		As at 31.12.2016		As at 01.01.2016	
	No. of shares	**% holding**	No. of shares	% holding	No. of shares	% holding
i) Holderind Investments Limited, Mauritius (Refer note 54)	**1,253,156,361**	**63.11%**	1,253,156,361	63.11%	629,638,433	40.57%
ii) Holcim (India) Private Limited, amalgamated with the Company (Refer note 54)	**-**	**-**	-	-	150,670,120	9.71%
iii) Life Insurance Corporation of India	**130,942,329**	**6.59%**	131,404,954	6.62%	124,434,343	8.02%

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

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into **186,690** (31st December, 2016 - 186,690; 1st January, 2016 - 186,690) and **139,830** (31st December, 2016 - 139,830; 1st January, 2016 - 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 during the previous year ended 31st December, 2016, 584,417,928 equity shares were allotted as fully paid up to the Equity Shareholders of HIPL, without payment being received in cash (Refer Note 54).

g) There are no securities which are convertible into equity shares.

Note 16 A - Share suspense account

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Share suspense pursuant to the Scheme of amalgamation (Refer note 54)	**-**	-	86.75
Total	**-**	-	86.75

Note 17 - Other equity

General reserve	**5,655.83**	5,655.83	6,505.83
Capital reserve	**130.71**	130.71	130.71
Capital redemption reserve	**9.93**	9.93	9.93
Subsidy	**5.02**	5.02	5.02
Securities premium account	**12,471.07**	12,471.07	12,478.32
Retained earnings	**1,303.52**	687.18	(445.56)
Total	**19,576.08**	18,959.74	18,684.25

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 18 - Non-current borrowings			
Secured			
Interest free loan from State Government (Refer note 1 and 3)	**24.12**	15.73	6.73
Unsecured			
Sales tax deferment loan (Refer note 2)	**-**	13.23	23.29
Less : Amount disclosed under the head "Other financial liabilities"	**-**	(13.23)	(10.06)
Total	**24.12**	15.73	19.96

Notes :

1. Interest free loans from State Government, secured by bank guarantees backed by pledge of bank fixed deposit and each loan repayable in single installment, starting from February 2020 to July 2024 of varying amounts from ₹ 3.59 crore to ₹ 10.50 crore.
2. Sales tax deferment loan is interest free and payable in 10 annual installments starting from April 2007 to April 2017 of varying amounts from ₹ 1.52 crore to ₹ 13.23 crore.
3. 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 recognized as an income. Accordingly, an amount of ₹ 4.01 crore (31st December, 2016: ₹ 5.90 crore) has been recognized as an income.

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 19 - Other non-current financial liabilities			
Liability for capital expenditure	**1.75**	2.24	2.81
Total	**1.75**	2.24	2.81
Note 20 - Non-current provisions			
For employee benefits			
Provision for gratuity and other staff benefit schemes	**16.61**	25.31	17.10
Others			
Provision for mines reclamation expenses*	**18.62**	17.97	15.28
Total	**35.23**	43.28	32.38
*Movement during the year			
Opening balance	**17.97**	15.28	
Add : Provision during the year	**1.83**	2.86	
	19.80	18.14	
Add: Unwinding of discount	**1.08**	1.02	
Less : Utilisation during the year	**2.26**	1.19	
Closing Balance	**18.62**	17.97	

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 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 21 - Deferred tax liabilities (net)			
Deferred tax liabilities, on account of			
Depreciation and amortisation	**666.45**	714.02	731.68
Deferred tax assets, on account of			
Employee benefits	**35.89**	38.50	33.88
Provision for slow and non moving spares	**10.82**	14.36	12.85
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**59.44**	56.94	29.25
Others	**101.94**	106.97	65.79
Total	**208.09**	216.77	141.77
Deferred tax liabilities (net)	**458.36**	497.25	589.91

Note 21 - 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	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	**38.50**	**(0.38)**	**(2.23)**	**35.89**
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	**106.97**	**(5.03)**	**-**	**101.94**
Total	**216.77**	**(6.45)**	**(2.23)**	**208.09**
Deferred tax liabilities (net)	**497.25**	**(41.12)**	**2.23**	**458.36**

Particulars	As at 1st January, 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	As at 31st December, 2016
Deferred tax liabilities, on account of				
Depreciation and amortisation	731.68	(17.66)	-	714.02
Deferred tax assets, on account of				
Employee benefits	33.88	3.96	0.66	38.5
Provision for slow and non moving spares	12.85	1.51	-	14.36
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	29.25	27.69	-	56.94
Others	65.79	41.18	-	106.97
Total	141.77	74.34	0.66	216.77
Deferred tax liabilities (net)	589.91	(92.00)	(0.66)	497.25

The Company has long term capital losses of ₹ 4.43 crore (31st December, 2016 - ₹ 4.43 crore; 1st January, 2016 - ₹ 4.43 crore) for which no deferred tax assets have been recognised. A part of these losses will expire between financial year 2019-20 to 2022-23.

Note 22 - Other non-current liabilities

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Rebate to customers	**7.19**	5.71	3.18
Total	**7.19**	5.71	3.18

Note 23 - Other current financial liabilities

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Security deposits	**362.10**	316.63	305.42
Liability for capital expenditure	**74.14**	61.92	72.25
Current maturities of non-current borrowing	**-**	13.23	10.06
Unpaid dividends**	**23.16**	22.19	21.70
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL**	**2.51**	2.54	2.55
Payable to Holderind Investments Ltd, Mauritius (Refer note 54)	**-**	-	3,500.27
Others	**52.39**	128.34	47.15
Total	**514.30**	544.85	3,959.40

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

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 24 - Other current liabilities			
Advance received from customers	**100.12**	82.75	51.42
Statutory dues	**426.93**	204.80	251.20
Others (including interest and rebates to customers etc.)	**963.88**	809.53	736.95
Total	**1,490.93**	1,097.08	1,039.57
Note 25 - Current provisions			
Provision for compensated absences	**87.02**	87.78	82.64
Provision for gratuity and staff benefit schemes	**0.06**	0.30	0.30
Total	**87.08**	88.08	82.94

Note 26 - Revenue from operations

Particulars	2017 ₹ in crore	2016 ₹ in crore
Sale of products		
Finished goods (including excise duty of ₹ 769.20 crore; previous year ₹ 1,270.33 crore)	**11,009.38**	10,387.52
Other operating revenues		
Provisions no longer required written back	**2.55**	7.14
Sale of scrap	**30.52**	22.74
Insurance claims	**17.37**	14.69
Incentives and subsidies	**85.98**	10.10
Exchange gain / loss (net)	**8.69**	0.06
Miscellaneous income	**60.38**	58.59
Total	**11,214.87**	10,500.84
Note 27 - Other income		
Interest income on		
Bank deposits	**97.29**	166.68
Long-term investments	**1.52**	1.52
Income tax refund	**4.09**	0.05
Others	**10.08**	9.68
Dividend income		
From subsidiary company	**159.77**	159.72
From joint venture company	**2.25**	1.24
Other non operating income		
Net gain on liquid mutual fund measured through FVTPL	**79.16**	137.16
Others (Refer note 58 (a))	**4.93**	34.16
Total	**359.09**	510.21
Note 28 - Cost of materials consumed		
Opening stock	**65.82**	62.14
Add : Purchases	**900.62**	780.36
	966.44	842.50
Less : closing stock	**57.11**	65.82
Total	**909.33**	776.68
Break-up of materials consumed		
Fly ash	**412.46**	375.49
Gypsum	**200.93**	183.50
Others*	**295.94**	217.69
Total	**909.33**	776.68

* includes no item which in value individually accounts for 10 percent or more of the total value of raw materials consumed.

Particulars	2017 ₹ in crore	2016 ₹ in crore
Note 29 - Change in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year		
Work-in-progress	**303.53**	207.68
Finished goods	**77.89**	110.91
	381.42	318.59
Inventories at the beginning of the year		
Work-in-progress	**207.68**	203.78
Finished goods	**110.91**	84.62
	318.59	288.40
(Increase) / Decrease	**(62.83)**	(30.19)
Note 30 - Employee benefits expense		
Salaries and wages	**563.03**	497.61
Contribution to provident and other funds	**50.98**	51.44
Staff welfare expenses	**47.36**	41.88
Total	**661.37**	590.93
Note 31 - Finance cost		
Interest		
On Income Tax (net of interest income on refund - ₹ 23.20 crore; previous year ₹ 51.80 crore)	**50.11**	26.73
Others	**55.88**	46.60
Defined benefit obligation	**1.20**	0.91
Total	**107.19**	74.24
Note 32 - Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**571.36**	612.12
Amortisation of intangible assets (Refer note 54(e))	**1.56**	236.73
Total	**572.92**	848.85
Note 33 - Freight and forwarding expense		
On internal material transfer	**659.70**	583.03
On finished products	**2,212.28**	1,889.81
Total	**2,871.98**	2,472.84
Note 34 - Other expenses		
Royalty on minerals	**207.78**	233.78
Consumption of stores and spare parts	**287.86**	286.23
Consumption of packing materials	**366.41**	317.82
Repairs to building	**5.04**	10.72
Repairs to machinery	**161.47**	136.61
Repairs other items	**15.75**	19.23
Rent (Refer note 41)	**40.89**	35.39
Rates and taxes	**80.36**	100.50
Insurance	**19.91**	21.55
Technology and Know-how fees (net of recovery)	**102.79**	90.80
Advertisement	**75.56**	76.45
Donation (Refer note 47)	**56.46**	60.30
Miscellaneous expenses (Refer Note * and #)	**473.39**	474.41
Total	**1,893.67**	1,863.79
* 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	**2.08**	3.23
for other services	**0.02**	0.07
for reimbursement of expenses	**0.00**	0.17
	2.10	3.47
Cost auditor		
as auditor	**0.07**	0.06
for reimbursement of expenses	**0.05**	0.03
	0.12	0.09
Total	**2.22**	3.56

Particulars	2017 ₹ in crore	2016 ₹ in crore
Note 35 - Earnings per share (EPS)		
(i) Profit attributable to owners of the Company for basic and diluted EPS	**1249.57**	932.24
(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	**317,329**	288,377
Weighted average number of shares for diluted EPS	**1,985,962,558**	1,985,933,606
(iii) Nominal value of equity share (in ₹)	**2.00**	2.00
(iv) Earnings per equity share (in ₹)		
Basic	**6.29**	4.69
Diluted	**6.29**	4.69

Note 36 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹in crore	As at 01.01.2016 ₹ in crore
A) Contingent liabilities and Claims against the Company not acknowledged as debts related to *			
(I) Labour	**34.50**	26.83	23.47
(II) Land	**22.17**	21.20	14.24
(III) Royalty on Limestone (i)	**-**	-	143.12
(IV) Sales tax (ii)	**266.65**	266.62	266.31
(V) Excise and Customs	**62.71**	66.27	67.99
(VI) Demand from Competition Commission of India (iii)	**1,368.82**	1,236.08	-
(VII) Collector of Stamps (iv)	**287.88**	287.88	287.88
(VIII) Others	**96.78**	122.74	155.34
	2,139.51	2,027.62	958.35

* In respect of these items, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

(i) Royalty on limestone represents additional royalty, consequent to the order passed by Madhya Pradesh State Mining Department, based on the ratio of 1.6 tonnes of limestone to 1.0 tonne of cement produced at its factory in Chhattisgarh. Subsequent to the year 2016, the Hon'ble High Court of Chhattisgarh, Bilaspur has ruled the matter in favour of the Company.

(ii) 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 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 the Supreme Court's decision goes against the matter referred above. Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December, 2016 - ₹ 247.97 crore, including interest of ₹ 134.45 crore; 1st January, 2016 ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company has deposited ₹ 143.52 crore, including interest ₹ 30.00 crore (31st December, 2016 - ₹ 143.52 crore including interest of ₹ 30.00 crore; 1st January, 2016 - ₹ 143.52 crore including interest ₹ 30.00 crore), towards sales tax under protest and filed a Special Leave Petition in the 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.

(iii) a) In 2012, the Competition Commission of India (CCI) issued an order imposing penalty on certain cement manufacturers, including the Company concerning alleged contravention of the provisions of the Competition Act, 2002 and imposed a penalty of ₹ 1,163.91 crore on the Company. 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.

Note 36 - Contingent liabilities and commitments (to the extent not provided for)

After hearing the matter afresh, the CCI had again, by its order dated 31st August, 2016, imposed a penalty of ₹ 1,163.91 crore on the Company (31st December, 2016 - ₹ 1,163.91 crore; 1st January, 2016 - ₹ Nil). The Company has filed an appeal against the said Order with the COMPAT. The COMPAT, vide its 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. Pending final disposal of the appeal, the matter has been disclosed as contingent liability along with interest of ₹ 175.07 crore (31st December, 2016 - ₹ 42.33 crore; 1st January, 2016 - ₹ Nil). Further, pursuant to the notification issued by Central Government on 26 May, 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT). The matter has been heard by NCLAT and Order is reserved.

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 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 same is disclosed as contingent liability.

(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, 2016 - ₹ 287.88 crore, 1st January, 2016 - ₹ 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 a good grounds for success in writ petition. Accordingly, no provision is considered necessary.

B) Commitments

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**325.30**	293.59	327.26

Note 37 - Material demand and dispute 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, 2016 - ₹ 66.94 crore; 1st January, 2016 - ₹ 66.94 crore) was raised. The Company filed a writ petition before Hobn'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 38 - Reconciliation of effective tax rate

Particulars	2017		2016	
	₹ in crore	In %	₹ in crore	In %
Profit before tax	**1,619.12**		1,279.47	
Statutory income tax rate as applicable to the Company	**560.38**	**34.61%**	442.82	34.61%
Effect of tax exempt income	**(56.02)**	**(3.46%)**	(55.78)	(4.36%)
Effect of non-deductible expenses	**33.68**	**2.08%**	105.56	8.25%
Effect of allowances / tax holidays for tax purpose	**(140.86)**	**(8.70%)**	(158.01)	(12.35%)
Effect of previous year adjustments	**(24.12)**	**(1.49%)**	10.49	0.82%
Others	**(3.51)**	**(0.21%)**	2.15	0.17%
Effective tax	**369.55**	**22.83%**	347.23	27.14%

Note 39 - 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, i.e. cement and cement related products.

A) Information about revenue from external customers and non-current assets in various geographical areas

Particulars	Revenues from customers		Non-current assets		
	2017 ₹ in crore	2016 ₹ in crore	**As at 31.12.2017** ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
The Company operates in geographical areas - India (country of domicile) and others (outside India).					
i) India	**11,006.48**	10,351.15	**7,166.56**	7,182.26	7,647.63
ii) Others	**2.90**	36.37	**-**	-	-
Total	**11,009.38**	10,387.52	**7,166.56**	7,182.26	7,647.63

B) Information about major customers

No single customer contributes 10% or more to the Company's revenue during the year ended 31st December, 2017 and 31st December, 2016.

Note 40 - Employee benefits

a) Defined contribution plans

Defined Contribution Plans - amount recognised and included in Note 30 "Contribution to provident and other funds" of statement of profit and loss ₹ 28.09 crore (previous year - ₹ 27.12 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 risk such as interest rate risk , demographic risk , salary inflation risk and longevity risk.

i) **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.

ii) **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.

iii) **Salary Inflation risk :** All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation.

iv) **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 plan include death & disability benefit, non-funded gratuity and post employment healthcare benefits to 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:

Note 40 - Employee benefits

Particulars		2017		2016		As at 01.01.2016	
		Funded	Other non funded	Funded	Other non funded	Funded	Other non funded
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
I	**Expense recognised in the statement of profit and loss**						
1	Current service cost	**10.60**	**0.86**	9.08	0.87		
2	Interest cost	**9.49**	**0.76**	8.90	1.25		
3	Interest (income) on plan assets	**(9.05)**	**-**	(8.25)	-		
	Total	**11.04**	**1.62**	9.73	2.12		
II	**Net asset / (liability) recognised in the balance sheet**						
1	Present value of defined benefit obligation	**141.96**	**12.68**	139.34	10.99	118.42	16.02
2	Fair value of plan assets	**138.47**	**-**	125.43	-	117.02	-
3	Funded status[surplus/(deficit)]	**(3.49)**	**(12.68)**	(13.91)	(10.99)	(1.40)	(16.02)
4	Net asset/(liability)	**(3.49)**	**(12.68)**	(13.91)	(10.99)	(1.40)	(16.02)
III	**Change in defined benefit obligation during the year**						
1	Present value of defined benefit obligation at the beginning of the year	**139.34**	**10.99**	118.42	16.02		
2	Current service cost	**10.60**	**0.86**	9.08	0.87		
3	Interest service cost	**9.49**	**0.76**	8.90	1.25		
4	Actuarial (gains)/losses recognised in Other Comprehensive Income						
	-- Change in assumptions	**(3.41)**	**(0.66)**	7.76	0.81		
	-- Experience changes	**(4.58)**	**0.99**	3.28	(7.78)		
5	Benefit payments	**(9.49)**	**(0.26)**	(8.29)	(0.18)		
6	Net transfer in on account of business combinations	**0.01**	**-**	0.19	-		
7	Present value of defined benefit obligation at the end of the year	**141.96**	**12.68**	139.34	10.99		
IV	**Change in fair value of assets during the year**						
1	Plan assets at the beginning of the year	**125.43**	-	117.02	-		
2	Interest income	**9.05**	-	8.25	-		
3	Contribution by employer	**15.50**	-	6.29	-		
4	Actual benefit paid	**(9.49)**	-	(8.29)	-		
5	Return on plan assets (excluding interest income)	**(2.02)**	-	2.16	-		
6	Plan assets at the end of the year	**138.47**	-	125.43	-		
V	**Re-measurements recognised in Other Comprehensive Income (OCI)**						
1	Change in assumptions	**(3.41)**	(0.66)	7.76	0.81		
2	Experience changes	**(4.58)**	0.99	3.28	(7.78)		
3	Return on plan assets (excluding interest income)	**2.02**	-	(2.16)	-		
4	Amount recognised in Other Comprehensive Income (OCI).	**(5.97)**	0.33	8.88	(6.97)		

Note 40 - Employee benefits

Particulars	2017		2016		As at 01.01.2016	
	Funded	Other non funded	Funded	Other non funded	Funded	Other non funded
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
VI Maturity profile of defined benefit obligation						
1 Within the next 12 months	**14.80**	0.31	10.81	0.30		
2 Between 1 and 5 years	**65.05**	1.82	45.83	1.61		
3 Between 5 and 10 years	**70.82**	3.54	101.18	3.46		
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	**133.68**	10.88	128.58	9.71		
2 For decrease in discount rate by 100 basis points	**151.24**	14.87	151.63	13.08		
3 For increase in salary rate by 100 basis points	**150.98**	0.49	152.24	0.82		
4 For decrease in salary rate by 100 basis points	**133.77**	0.46	127.86	0.75		
5 For increase in medical inflation rate by 100 basis points	**NA**	12.21	NA	11.30		
6 For decrease in medical inflation rate by 100 basis points	**NA**	12.17	NA	9.07		

* 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.

Particulars	2017 Funded	2017 Other non funded	2016 Funded	2016 Other non funded	01.01.2016 Funded	01.01.2016 Other non funded
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	100%	NA
IX Weighted Average Duration of Defined benefit obligation	**9 yrs**	**4-7 yrs**	9 yrs	5-7 yrs		
X Actuarial Assumptions						
1 Discount rate	**7.35% p.a.**		7.05% p.a.		7.90 % p.a	
2 Expected rate of return on plan assets	**8.00% p.a.**	**NA**	8.50% p.a.	NA	8.50% p.a.	NA
3 Mortality	**Indian Assured Lives Mortality (IALM) (2006-08) Ult.**		Indian Assured Lives Mortality (IALM) (2006-08) Ult.		Indian Assured Lives Mortality (IALM) (2006-08) Ult.	
4 Turnover rate	**Upto Age 44 yrs: 5% and above 45 yrs: 1%**		Upto Age 44 yrs: 2% and above 45 yrs: 1%		Upto Age 44 yrs: 2% and above 45 yrs: 1%	
5 Medical premium inflation	**NA**	**8.00% p.a.**	NA	12% p.a. in the first 5 years and 8% thereafter	NA	12% p.a. in the first 5 years and 8% thereafter
6 Retirement Age	**58 Yrs**	**58 - 60 Yrs**	58 Yrs	58 - 60 Yrs	58 Yrs	58 - 60 Yrs
7 Salary escalation	**7% p.a.**		7% p.a.		7% p.a.	

\# 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.

Note 40 - Employee benefits

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.

e) Amount recognised as expense in respect of compensated absences is ₹ 5.97 crore (previous year - ₹ 11.47 crore)

f) The company expects to make contribution of ₹ 14.00 crore (31st December, 2016 - ₹ 13 crore; 1st January, 2016 - ₹ 9 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 ₹ 7.74 crore (previous year ₹ 7.72 crore) towards provident fund liability. Deficit of ₹ Nil crore (previous year ₹ 0.73 crore) in the accumulated corpus fund is recognised in the statement of profit and loss. Further, considering net surplus in the accumulated corpus fund, liability of ₹ 0.20 crore provided in the previous year, has been written back.

Particulars	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Details of the fund and asset position			
Plan assets at the year end, at fair value	**128.53**	116.21	106.57
Present value of benefit obligation at year end	**129.06**	116.94	102.40
Net liability / (asset) *	**0.53**	0.73	(4.17)
Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach are :			
Discount rate	**7.35%**	7.05%	7.90%
Interest rate guarantee	**8.65%**	8.65%	8.75%
Expected rate of return of assets	**8.60%**	9.00%	8.73%

* Only liability is recognised in the books

Note 41 - Leases

A) Operating Leases - Company as a lessee

i) The Company has entered into various long term agreements for land. The Company does not have an option to purchase the leased land at the end of the lease period. The unamortised operating lease prepayments as at 31st December, 2017 aggregating ₹ 38.18 crore (31st December, 2016 - ₹ 39.25 crore, 1st January, 2016 - ₹ 40.58 crore) is included in other non current / current assets, as applicable.

(ii) The Company has also taken various residential premises, land, 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 amounts to ₹ 40.89 crore (previous year - ₹35.39 crore)

(iv) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

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.

Notes to Financial Statements

Note 42 - Disclosure in respect of Loans as required under Section 186 of the Companies Act, 2013 and Regulation 34 of Listing Obligations and Disclosure Requirements

Particulars	As at 31.12.2017		As at 31.12.2016		As at 01.01.2016	
	Outstanding balance	**Maximum balance outstanding during the year**	Outstanding balance	Maximum balance outstanding during the year	Outstanding balance	Maximum balance outstanding during the year
	₹ in crore	**₹ in crore**	**₹ in crore**	**₹ in crore**	**₹ in crore**	**₹ in crore**
Loans in the nature of unsecured loans given to subsidiaries, joint ventures and others:						
a) Dirk India Private Limited						
(For working capital requirement, i) ₹ 22.28 crore, Repayment over a period of 3 years and carries an interest rate of 12% p.a, ii) ₹ 20.30 crore, Repayment on call basis and carries and interest rate of 12% p.a)	**37.94**	**42.58**	42.58	42.58	42.58	42.58
b) Chemical Limes Mundwa Private Limited						
(For working capital requirement. Repayment on call basis and carries an interest rate of 12% p.a)	**0.85**	**0.85**	0.75	0.75	0.50	0.50
c) Ambuja Vidya Niketan						
(Loan given to staff of Ambuja Vidya Niketan for financial assistance of 16% p.a, repayable in six months from the date of disbursement)	**-**	**-**	-	3.75	1.60	1.60

Note : None of the loanees have made, per se, investment in the shares of the Company.

Note 43 - Related party disclosure

1) Related parties

A) Related parties where control exists

Sr.	Name of the related parties	Nature of Relationship
(i)	LafargeHolcim Limited (Formerly known as Holcim Ltd.), Switzerland	Ultimate Holding Company
(ii)	Holderfin B.V, Netherlands	Intermediate Holding Company
(iii)	Holderind Investments Limited, Mauritius	Holding Company
(iv)	ACC Limited	Subsidiary, (erstwhile fellow Subsidiary) pursuant to amalgamation of Holcim (India) Private Limited with the Company with effect from 12th August, 2016 (Appointed date 01st April, 2013)
(v)	M.G.T. Cements Private Limited	Subsidiary
(vi)	Kakinada Cements Limited	Subsidiary (Liquidated with effect from 10th May, 2016)
(vii)	Chemical Limes Mundwa Private Limited	Subsidiary
(viii)	Dang Cement Industries Private Limited, Nepal	Subsidiary
(ix)	Dirk India Private Limited	Subsidiary
(x)	OneIndia BSC Private Limited	Subsidiary (with effect from 12th August, 2016), Joint Venture (with effect from 13th August, 2015 upto 12th August, 2016)
(xi)	ACC Mineral Resources Limited	Subsidiary of ACC Limited
(xii)	Lucky Minmat Limited	Subsidiary of ACC Limited
(xiii)	National Limestone Company Private Limited	Subsidiary of ACC Limited
(xiv)	Singhania Minerals Private Limited	Subsidiary of ACC Limited
(xv)	Bulk Cement Corporation (India) Limited	Subsidiary of ACC Limited

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

Sr.	Name of other related parties	Nature of Relationship
(a)	Holcim (India) Private Limited	Amalgamated with the Company with effect from 12th August, 2016 (Refer Note 54)
(b)	Holcim (Lanka) Limited, Sri Lanka	Fellow Subsidiary (upto 10th August, 2016)
(c)	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
(d)	Holcim Technology Limited, Switzerland	Fellow Subsidiary
(e)	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
(f)	Holcim Services (South Asia) Limited	Fellow Subsidiary
(g)	Holcim Trading FZCO., UAE	Fellow Subsidiary
(h)	LH Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte 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 (with effect from 01st July, 2015)
(l)	Thalamar Shipping AG, Switzerland	Fellow Subsidiary
(m)	Lafarge India Private Limited	Fellow Subsidiary (with effect from 10th July, 2015 and upto 04th October, 2016)
(n)	Geocycle (Deutschland) Gmbh., Deutschland	Fellow Subsidiary
(o)	Lafarge Centre De Recherhe S.A.S,France	Fellow Subsidiary
(p)	Counto Microfine Products Private Limited	Joint Venture
(q)	Asian Concretes and Cements Private Limited	Associate of Subsidiary
(r)	Ambuja Cements Limited Staff Provident Fund Trust	Post-employment benefit plan
(s)	Ambuja Cements Limited Employees Grautity Fund Trust	Post-employment benefit plan

C) **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 (with effect from 11th February, 2016)
(e)	Mr. Christof Hassig	Non-Executive Director
(f)	Ms. Usha Sangwan	Non-Executive Director
(g)	Mr. B. L. Taparia	Non-Executive Director
(h)	Mr. Bernard Terver	Non-Executive Director (upto 10th February, 2016)
(i)	Mr. Nasser Munjee	Independent Director
(j)	Mr. Rajendra P. Chitale	Independent Director
(k)	Mr. Shailesh Haribhakti	Independent Director
(l)	Dr. Omkar Goswami	Independent Director
(m)	Mr. Haigreve Khaitan	Independent Director
(n)	Mr. Ajay Kapur	Managing Director & Chief Executive Officer
(o)	Mr. Suresh Joshi	Chief Financial Officer (with effect from1st February, 2016)
(p)	Mr. Rajiv Gandhi	Company Secretary

Particulars	**31.12.2017 ₹ in crore**	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
2 Details of related party transactions			
A) Transactions with subsidiaries			
1 Purchase of goods			
Dirk India Private Limited	**2.14**	4.43	
ACC Limited	**32.35**	0.74	
	34.49	5.17	
2 Sale of goods			
ACC Limited	**14.75**	25.01	
3 Rendering of services			
ACC Limited	**48.44**	43.80	
4 Interest income			
Dirk India Private Limited	**4.75**	5.11	
Chemical Limes Mundwa Private Limited	**0.10**	0.08	
	4.85	5.19	
5 Receiving of services			
Dirk India Private Limited	**11.77**	11.15	
ACC Limited	**52.93**	45.55	
OneIndia BSC Private Limited	**22.00**	20.76	
	86.70	77.46	
6 Purchase of Fixed Asset /Spare Parts			
ACC Limited	**13.13**	-	
7 Dividend Received			
ACC Limited	**159.77**	159.72	

Particulars	31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
2 Details of related party transactions			
A) Transactions with subsidiaries			
8 Other recoveries			
Dirk India Private Limited	**0.08**	0.11	
ACC Limited	**0.04**	5.98	
	0.12	6.09	
9 Other payments			
ACC Limited	**0.31**	1.19	
10 Inter corporate deposits and loans given			
Chemical Limes Mundwa Private Limited	**0.10**	0.25	-
11 Loans / inter corporate deposits given outstanding at the year end			
Secured			
Dirk India Private Limited	**-**	-	-
Chemical Limes Mundwa Private Limited	**-**	-	-
Unsecured			
Dirk India Private Limited	**37.94**	42.58	42.58
Chemical Limes Mundwa Private Limited	**0.85**	0.75	0.50
	38.79	43.33	43.08
12 Equity contribution			
OneIndia BSC Private Limited	**-**	-	2.50
13 Amount receivable at the year end			
Dirk India Private Limited	**11.64**	8.48	8.46
Chemical Limes Mundwa Private Limited	**0.07**	0.07	0.04
ACC Limited	**16.95**	4.18	30.64
	28.66	12.73	39.14
14 Amount payable at the year end			
Dirk India Private Limited	**3.41**	4.81	5.46
ACC Limited	**29.31**	2.95	23.30
OneIndia BSC Private Limited	**2.01**	2.98	-
	34.73	10.74	28.76
B) Transactions with fellow subsidiaries			
1 Purchase of goods			
LafargeHolcim Energy Solutions S.A.S., France	**291.12**	132.29	
Lafarge Centre De Recherhe S.A.S,France	**0.02**	-	
	291.14	132.29	
2 Sale of goods			
LH Trading Pte Limited, Singapore	**-**	31.11	
Lafarge India Private Limited	**-**	31.10	
	-	62.21	
3 Receiving of services			
Holcim Group Services Limited, Switzerland	**2.08**	6.76	
Holcim Technology Limited, Switzerland	**101.67**	90.34	
Holcim Services (South Asia) Limited	**66.88**	38.33	
Thalamar Shipping AG, Switzerland	**-**	3.71	
	170.63	139.14	

Particulars	31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
2 Details of related party transactions			
B) Transactions with fellow subsidiaries			
4 Other recoveries			
Holcim (Lanka) Limited, Sri Lanka	**-**	0.38	
Holcim Services (South Asia) Limited	**-**	0.73	
Holcim Technology Limited, Switzerland	**0.96**	0.28	
LH Trading Pte Limited, Singapore	**-**	0.12	
LafargeHolcim Energy Solutions S.A.S., France	**0.06**	0.03	
	1.02	1.54	
5 Other payments			
LafargeHolcim Energy Solutions S.A.S., France	**3.47**	1.50	
Geocycle (Deutschland) Gmbh., Deutschland	**-**	0.01	
Holcim (Lanka) Limited, Sri Lanka	**-**	0.05	
Holcim Technology Limited, Switzerland	**-**	0.16	
	3.47	1.72	
6 Amounts receivable at the year end			
Holcim (Lanka) Limited, Sri Lanka	**-**	-	0.18
Holcim Cement (Bangladesh) Limited, Bangladesh	**-**	-	0.05
Holcim Technology Limited, Switzerland	**-**	-	0.33
Lafarge India Private Limited	**-**	-	11.21
	-	-	11.77
7 Amounts payable at the year end			
Holcim Technology Limited, Switzerland	**23.07**	19.53	21.08
Holcim Philippines, Inc., Philippines	**-**	0.02	0.02
Holcim Services (South Asia) Limited	**3.04**	0.34	8.67
Holcim (Romania) S.A., Romania	**0.03**	0.03	0.03
Holcim Trading FZCO, UAE	**0.17**	0.18	0.17
Holcim Group Services Limited, Switzerland	**0.26**	0.04	-
Lafarge Center de Recherche LCR	**0.02**	-	-
Geocycle (Deutschland) Gmbh., Deutschland	**0.01**	0.01	-
Holcim Technology (Singapore) Pte Limited, Singapore	**-**	-	0.02
LafargeHolcim Energy Solutions S.A.S., France	**79.43**	38.07	-
	106.03	58.22	29.99
C) Transactions with Holding company			
1 Dividend paid			
Holderind Investments Limited, Mauritius	**350.88**	176.30	
2 Amounts payable at the year end			
Holderind Investments Limited, Mauritius (Refer note 54)	**-**	-	3,500.27
3 Share capital suspense account			
Holderind Investments Limited, Mauritius (Refer note 54)	**-**	-	11,084.07
4 Acquisition of equity shares			
Holderind Investments Limited, Mauritius (Refer note 54)	**-**	3,500.27	
5 Issue of equity shares (Including premium)			
Holderind Investments Limited, Mauritius (Refer note 54)	**-**	11,084.07	

Note 43 - Related party disclosure

Particulars	31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
2 Details of related party transactions			
D) Transactions with Associates			
1 Purchase of Goods			
Asian Concretes and Cements Private Limited	**2.39**	1.48	
2 Other Recoveries			
Asian Concretes and Cements Private Limited	**0.03**	-	
E) Transactions with joint ventures			
1 Sale of fixed assets			
Counto Microfine Products Private Limited	**-**	0.01	
2 Sale of Goods			
Counto Microfine Products Private Limited	**0.01**	-	
3 Rendering of services			
Counto Microfine Products Private Limited	**2.16**	1.91	
4 Dividend Received			
Counto Microfine Products Private Limited	**2.25**	1.24	
5 Amounts receivable at the year end			
Counto Microfine Products Private Limited	**0.51**	0.45	0.75
F) Transactions with key management personnel			
Short term employee benefits	**11.91**	8.98	
Post employment benefit	**0.71**	0.55	
Commission, Sitting fee and other reimbursement	**5.53**	3.28	
Notes:	**18.15**	12.81	

1) The company is required to contribute a specified percentage of the employee compensation for eligible employees towards providend fund. For the same the Company makes monthly contributions to a trust specified for this purpose. During the year, the Company has contributed ₹ 4.97 crore (previous year - ₹ 4.81 crore).

2) Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year, the Company has contribued ₹ 15.50 crore (previous year - ₹ 6.29 crore).

3) The performance incentive to Managing Director and Chief Executive Officer is accounted for as and when it is approved by the Board.

Note 44 - Financial instruments

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
A) Classification of financial assets and liabilities			
Financial assets at amortised cost			
Trade receivables	**307.97**	395.77	286.36
Loans	**96.81**	99.96	101.59
Investments	**29.60**	29.60	29.60
Cash & cash equivalents and bank balances	**2,013.85**	1,513.03	3,006.23
Other financial assets	**113.87**	99.78	81.03
Financial assets at fair value through the statement of profit and loss			
Cash & cash equivalents (Investment in liquid mutual funds)	**1,483.22**	1,065.49	2,185.71
Investment in fully paid up equity shares	**-**	-	-
Total	**4,045.32**	3,203.63	5,690.52

Note 44 - Financial instruments

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Financial liabilities at amortised cost			
Trade payables	**1,028.86**	815.34	658.80
Other financial liabilities	**516.05**	533.86	3,952.15
Sales tax deferment loan	**-**	13.23	23.29
Interest free loan from State Government	**24.12**	15.73	6.73
Total	**1,569.03**	1,378.16	4,640.97

B) 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.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition that are at fair value, into level 1 to level 3 as described below -

Particulars	Fair Values			Valuation technique
	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore	
Financial assets at fair value through the statement of profit and loss				
Investment in liquid mutual funds (Level 1)	**1,483.22**	1,065.49	2,185.71	Based on Net asset value of the scheme
Investment in fully paid up equity shares (Level 3)	**-**	-	-	Discounted cash flow method using risk adjusted discount rate
Total	**1,483.22**	1,065.49	2,185.71	

Fair value of the Company's Financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	As at 31.12.2017		As at 31.12.2016		As at 01.01.2016		Valuation technique
	Fair Value ₹ in crore	Carrying Value ₹ in crore	Fair Value ₹ in crore	Carrying Value ₹ in crore	Fair Value ₹ in crore	Carrying Value ₹ in crore	
Investment in Himachal Pradesh Infrastructure Development bonds (Level 2)	**25.38**	**29.60**	23.50	29.60	21.76	29.60	Discounted cash flow method using risk adjusted discount rate
Interest free loan from State Government (Level 3)	**22.69**	**24.12**	15.17	15.73	6.38	6.73	Discounted cash flow method using risk adjusted discount rate
Total	**48.07**	**53.72**	38.67	45.33	28.14	36.33	

The management 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 and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

Note 45 - 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 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Total debt	**24.12**	28.96	30.02
Less: Bank balances other than cash and cash equivalents	**186.43**	182.76	60.16
Cash and cash equivalents	**3,310.64**	2,395.76	5,131.78
Net debt	**(3,472.95)**	(2,549.56)	(5,161.92)
Equity	**19,973.21**	19,356.87	19,081.38
Debt to Equity Net	**-**	-	-

Note 46 - Dividend distribution made and proposed

Particulars	**2017 ₹ in crore**	2016 ₹ in crore
A) Dividends on equity shares declared and paid		
i) Interim dividend for the year ended 31st December, 2017 ₹ 1.60 per share (31st December, 2016 ₹ 1.60 per share)	**317.70**	248.30
ii) Dividend distribution tax on interim dividend	**43.63**	50.55
iii) Final dividend for the year ended 31st December, 2016 ₹ 1.20 per share (31st December, 2015 ₹ 1.20 per share)	**238.28**	186.23
iv) Dividend distribution tax on final dividend	**37.03**	37.91
Total	**636.64**	522.99
B) Proposed dividends on equity shares		
i) Final dividend for the year ended 31st December, 2017 ₹ 2.00 per share (31st December, 2016 ₹ 1.20 per share)	**397.13**	238.28
ii) Dividend distribution tax on proposed final dividend	**52.15**	37.03
Total	**449.28**	275.31

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) as at 31st December, 2017.

Note 47 - Corporate social responsibility

The Company has incurred ₹ 58.79 crore (previous year ₹ 59.37 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, 2017 is ₹ 27.74 crore (previous year ₹ 29.87 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 48 - Asset held for disposal

Particulars	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Plant and equipment	**0.06**	0.06	0.85
Total	**0.06**	0.06	0.85

Note 49 - Government grants

Particulars	2017 ₹ in crore	2016 ₹ in crore
Grants accrued during the year in statement of profit and loss		
Incentives and subsidies	**85.98**	10.10
Discounting income recognised under miscellaneous income in other operating income	**4.05**	5.90
Total	**90.03**	16.00

Note 50

A) 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 31.12.2017	As at 31.12.2016	As at 01.01.2016
I) Subsidiaries					
1 Kakinada Cements Limited (Liquidated during year 2016)	Cement and cement related products	India	**-**	-	100.00%
2 M.G.T Cements Private Limited	Cement and cement related products	India	**100.00%**	100.00%	100.00%
3 Chemical Limes Mundwa Private Limited	Cement and cement related products	India	**100.00%**	100.00%	100.00%
4 Dang Cement Industries Private Limited	Cement and cement related products	Nepal	**91.63%**	91.63%	91.63%
5 Dirk India Private Limited	Cement and cement related products	India	**100.00%**	100.00%	100.00%
6 OneIndia BSC Private Limited (Refer Note 54)	Shared Services	India	**75.03%**	75.03%	75.01%
7 ACC Limited (Refer Note 54)	Cement and cement related products	India	**50.05%**	50.05%	50.01%
II) Joint ventures					
Counto Microfine Products Private Limited	Cement and cement related products	India	**50.00%**	50.00%	50.00%
III) Joint operation					
Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	**27.27%**	27.27%	27.27%

B) During the year ended 2015, the Board of Directors had approved the amalgamation of Dirk India Private Limited, a wholly owned subsidiary, with the Company w.e.f. 1st April, 2015, in terms of the Scheme of amalgamation. During the previous year, the Board of Directors, in their meeting held on 28th April 2016, decided not to pursue the Scheme and not to file it with the Hon'ble High Courts for their approval. There is no material implication of this decision on the financial statements of the Company.

Note 51 - Financial risk management objectives

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.

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.

Note 51 - Financial risk management objectives

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 are affected by market risk.

The Company is not an active investor in equity markets. 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 account. Fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility.

Assumptions made in calculating the sensitivity analysis

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the security deposit taken from its dealers.

Interest risk exposure

Particulars	Security deposit from dealers (Fixed Rate)	Non Interest bearing borrowings	Total
	₹ in crore	₹ in crore	₹ in crore
As at 31st December, 2017	**362.10**	**24.12**	**386.22**
As at 31st December, 2016	316.63	28.96	345.59
As at 1st January, 2016	305.42	30.02	335.44

Interest rate sensitivities for unhedged exposure (impact on increase / decrease in 100 bps)

Particulars	**As at 31.12.2017**		As at 31.12.2016		As at 01.01.2016	
	Increase	(Decrease)	Increase	(Decrease)	Increase	(Decrease)
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Security Deposit from dealers (Fixed rate)	**5.71**	(5.71)	3.88	(3.88)	3.63	(3.63)

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's 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 and therefore it has not hedged it's foreign currency payables and receivables.

Note 51 - Financial risk management objectives

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Trade payable & other current liabilities			
CHF	**0.39**	0.08	0.38
DKK	**-**	-	0.04
EURO	**4.26**	1.46	4.14
JPY	**-**	0.08	0.22
SEK	**0.01**	-	0.07
SGD	**0.10**	-	0.02
USD	**90.62**	57.05	1.93
Trade receivables, loans & advances and other assets			
USD	**2.76**	-	0.34
CHF	**0.54**	-	-
DKK	**-**	-	-
EUR	**7.03**	-	-
JPY	**-**	-	-
SGD	**0.07**	-	-

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 31.12.2017		As at 31.12.2016		As at 01.01.2016	
	1 % Increase ₹ in crore	1 % decrease ₹ in crore	1 % Increase ₹ in crore	1 % decrease ₹ in crore	1 % Increase ₹ in crore	1 % decrease ₹ in crore
Trade Payables						
CHF	**-**	**-**	-	-	-	-
DKK	**-**	**-**	-	-	-	-
EURO	**0.04**	**(0.04)**	0.01	(0.01)	0.04	(0.04)
JPY	**-**	**-**	-	-	-	-
SEK	**-**	**-**	-	-	-	-
SGD	**-**	**-**	-	-	-	-
USD	**0.91**	**(0.91)**	0.57	(0.57)	0.02	(0.02)
Trade Receivable						
USD	**0.03**	**(0.03)**	-	-	-	-
CHF	**0.01**	**(0.01)**	-	-	-	-
DKK	**-**	**-**	-	-	-	-
EUR	**0.07**	**(0.07)**	-	-	-	-
JPY	**-**	**-**	-	-	-	-
SGD	**-**	**-**	-	-	-	-

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.

B) Credit risk

Credit risk is the risk that counter party 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 counter party.

Note 51 - Financial risk management objectives

The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counter parties. 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. In other financial assets that are not past due and not impaired, there were no indication of default in repayment as at year end.

Particulars	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)			
Long-term loans to related party	**0.89**	0.83	0.83
Trade receivables	**5.86**	5.30	8.38

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 and 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 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Up to 6 months	**298.84**	387.39	281.02
More than 6 months	**9.13**	8.38	5.34
	307.97	395.77	286.36
Movement in expected credit loss allowance of financial assets			
Balance at the beginning of the year	**5.30**	8.38	
Add: Provided during the year	**1.92**	-	
Less : Reversal of provisions	**1.36**	3.05	
Less : Amounts written off	**-**	0.03	
Balance at the end of the year	**5.86**	5.30	

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 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, 2017 are ₹ 11,844.70 crore and ₹ 1,483.22 crore (31st December, 2016 - ₹ 11,844.70 crore and ₹ 1,065.49 crore; 1st January, 2016 - ₹ 11,831.03 crore and ₹ 2,185.71 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.

Note 51 - Financial risk management objectives

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

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	**1,028.86**	**-**	**1,028.86**
Other financial liabilities	**514.30**	**1.75**	**516.05**
Investment in liquid mutual funds	**1,483.22**	**-**	**1,483.22**
As at 31st December, 2016			
Borrowings (including current maturities of non current debts)	-	15.73	15.73
Trade payables	815.34	-	815.34
Sales tax deferment loan	13.23	-	13.23
Other financial liabilities	531.62	2.24	533.86
Investment in liquid mutual funds	1,065.49	-	1,065.49
As at 1st January, 2016			
Borrowings (including current maturities of non current debts)	-	19.96	19.96
Trade payables	658.80	-	658.80
Sales tax deferment loan	10.06	13.23	23.29
Other financial liabilities	3,949.34	2.81	3,952.15
Cash & cash equivalents and other bank balances	2,185.71	-	2,185.71

Note 52 - Standards issued but not yet effective

In the month of March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7- Statement of cash flows and Ind AS 102- Share-based payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7- Statement of cash flows and IFRS 2 - Share-based payment, respectively. The amendments are applicable to company from 1st January, 2018.

Amendment to Ind AS 7 - Statement of cash flows

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102 - Share-based payment

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the fair values, but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The adoption of above amendments will not have material impact on financial statements.

Note 53 - Disclosure of trade payables

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Total outstanding dues of micro, small and medium enterprises (Refer Note below)	**0.82**	0.78	0.52
Total outstanding dues of creditors other than micro, small and medium enterprises	**1,028.04**	814.56	658.28
Total	**1,028.86**	815.34	658.80
Notes:			
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.			
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.			
Principal	**0.76**	0.74	0.52
Interest	**0.06**	0.04	-
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	**21.61**	14.80	3.42
Interest	**0.16**	0.13	0.03
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	**0.04**	-	-
d. The amount of interest accrued and remaining unpaid at the end of the year 4	**0.06**	0.04	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-	-

Note 54 - Amalgamation of Holcim (India) Private Limited ('HIPL') with Ambuja Cements Limited ('the Company')

a) HIPL was primarily engaged in the cement business, through its downstream investment in cement manufacturing ventures in India. The Board of Directors and members of the Company had approved the Scheme of amalgamation (the Scheme) between the Company and HIPL from the appointed date, 1st April, 2013. The Scheme was sanctioned by the Hon'ble High Courts of Gujarat and Delhi vide their orders dated 7th April, 2014 and 18th March, 2014 respectively. On 1st August, 2016, Foreign Investment Promotion Board had approved the transaction for acquisition of 24% equity shares of HIPL by the Company and subsequent merger of HIPL through share swap, being the conditions precedent to the Scheme. Pursuant to FIPB approval, the Scheme came into effect on 12th August, 2016 (effective date) when all the conditions precedent to the Scheme were complied with.

b) During the previous year, pursuant to Scheme of Amalgamation, Holcim (India) Private Limited has been amalgamated with the Company with effect from the appointed date 1st April, 2013 and was accounted for, and continues to be accounted for, in accordance with the applicable accounting standards as per the scheme. Pursuant to this the Company has

i) purchased 24% equity shares of HIPL for a cash consideration of ₹ 3,500.27 crore.

ii) cancelled 150,670,120 equity shares of ₹ 2 each, fully paid up, of the Company held by HIPL

iii) issued 584,417,928 equity shares of ₹ 2 each, fully paid up to the equity shareholder of HIPL for the remaining 76% equity shares (without consideration being received in cash) and credited an amount of ₹ 10,967.20 crore to securities premium account.

c) The excess of the consideration viz. fair value of new shares issued and cost of shares in HIPL cancelled over the fair value of net assets taken over and the face value of the shares of the Company cancelled amounting to ₹ 2,827.48 crore has been recognised as Goodwill and is amortized over a period of three years from the appointed date in accordance with the Accounting Standard AS 14 Accounting for amalgamations as specified in the scheme.

Note 54 - Amalgamation of Holcim (India) Private Limited ('HIPL') with Ambuja Cements Limited ('the Company')

d) Consequent to amalgamation, the following adjustments by way of debit / (credit) have been made in "Retained earning" under "Other equity"
   i) ₹ 2,591.85 crore being amortization of goodwill from the appointed date till 31st December, 2015, adjusted in opening balance sheet as at 1st January, 2016.
   ii) ₹ (41.19) crore, being the net surplus in the statement of profit and loss of HIPL from the appointed date till 31st December, 2015, adjusted in opening balance sheet date as at 1st January, 2016.
   iii) ₹ 199.96 crore, being interim dividend and tax thereon paid by HIPL during the previous year; and
   iv) ₹ (74.69) crore being inter Company elimination of dividend paid by the Company, HIPL and ACC Limited during the previous year.

e) Depreciation and amortisation, in the previous year, includes goodwill amortisation amounting to ₹ 235.63 crore.

f) Pursuant to the amalgamation, ACC Limited has become the subsidiary of the Company.

Note 55 - First time adoption of Ind AS (Ind AS 101)

The Company has prepared financial statements which comply with Ind AS applicable for year ended as on 31st December, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st January, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1st January, 2016 and the financial statements as at and for the year ended 31st December, 2016 and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Exemptions availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions.

a) Past Business Combinations

The Company has elected not to apply Ind AS 103- Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st January, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements and the Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date.

b) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st January, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c) Investment in Subsidiary, Joint ventures and Associates

The Company has elected to carry its investment in subsidiaries and joint venture at deemed cost which is its previous GAAP carrying amount at the date of transition to Ind AS.

d) Sales tax deferment loan

The Company has elected to use the previous GAAP carrying amount of the Sales Tax Deferment Loan existing at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

e) Fair value of financial assets and liabilities

As per Ind AS exemption the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

Note 55 - First time adoption of Ind AS (Ind AS 101)

Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standard

Effect of Ind AS adoption on the balance sheet as at 1st January, 2016 and 31st December, 2016.

₹ in crore

Particulars	Notes		As at 01.01.2016					As at 31.12.2016			
			Previous GAAP	Ind AS adjustments			Ind AS	Previous GAAP	Ind AS adjustments		Ind AS
				Impact of Amalgamation (Refer note 54)	Ind AS Adjustments (Refer section 1)	Reclassification (Refer section 2)			Ind AS Adjustments (Refer section 1)	Reclassification (Refer section 2)	
ASSETS											
1 Non-current assets											
a) Property, plant and equipment	1	A, C	6,091.72	-	(59.76)	-	6,031.96	5,978.36	(55.09)	(0.05)	5,923.22
b) Capital work-in-progress			414.12	-	-	(0.02)	414.10	320.02	-	-	320.02
c) Goodwill	1	B	-	235.63	-	-	235.63	-	-	-	-
d) Other intangible assets	1	C	0.31	-	19.18	-	19.49	0.29	18.10	-	18.39
e) Investment in subsidiaries and joint venture	2	A	-	11,724.13	-	77.30	11,801.43	-	-	11,815.10	11,815.10
f) Financial assets											
i) Investments	2	A	106.90	-	-	(77.30)	29.60	11,844.70	-	(11,815.10)	29.60
ii) Loans	2	B, F	720.71	-	-	(657.08)	63.63	682.64	-	(617.70)	64.94
iii) Other financial assets	2	F	-	-	-	25.50	25.50	-	-	47.18	47.18
g) Non-current tax assets (net)	2	B	-	3.25	-	79.77	83.02	-	-	70.43	70.43
h) Other non-current assets	1 2	A (ii) F	279.57	-	39.24	544.62	863.43	319.27	37.91	493.02	850.20
Total - Non-current assets			**7,613.33**	**11,963.01**	**(1.34)**	**(7.21)**	**19,567.79**	**19,145.28**	**0.92**	**(7.12)**	**19,139.08**
2 Current assets											
a) Inventories			895.45	-	-	-	895.45	937.54	-	-	937.54
b) Financial assets											
i) Investments	2	C (i)	2,119.23	-	-	(2,119.23)	-	1,065.02	-	(1,065.02)	-
ii) Trade receivables			286.36	-	-	-	286.36	300.08		95.69	395.77
iii) Cash and cash equivalents	1 2	D C	2,848.39	57.65	66.69	2,159.05	5,131.78	1,412.87	0.65	982.24	2,395.76
iv) Bank balances other than cash and cash equivalents	2	C (ii)	-	-	-	60.16	60.16	-	-	182.76	182.76
v) Loans	2	C (iii), F	336.26	-	-	(298.30)	37.96	358.92	-	(323.90)	35.02
vi) Other financial assets			-	0.09	-	55.44	55.53	-	-	52.60	52.60
c) Other current assets	1 2	A (ii) F	62.91	-	1.34	149.20	213.45	34.52	1.34	178.32	214.18
d) Assets classified as held for sale	2	F	-	-	-	0.85	0.85	-	-	0.06	0.06
Total - Current assets			**6,548.60**	**57.74**	**68.03**	**7.17**	**6,681.54**	**4,108.95**	**1.99**	**102.75**	**4,213.69**
TOTAL - ASSETS			**14,161.93**	**12,020.75**	**66.69**	**(0.04)**	**26,249.33**	**23,254.23**	**2.91**	**95.63**	**23,352.77**

Notes to Financial Statements

Note 55 - First time adoption of Ind AS (Ind AS 101)

₹ in crore

Particulars	Notes		As at 01.01.2016				Ind AS	As at 31.12.2016			Ind AS
			Previous GAAP	Ind AS adjustments				Previous GAAP	Ind AS adjustments		
				Impact of Amalgamation (Refer note 54)	Ind AS Adjustments (Refer section 1)	Reclassification (Refer section 2)			Ind AS Adjustments (Refer section 1)	Reclassification (Refer section 2)	
Equity and Liabilities											
Equity											
a) Equity share capital			310.38	-	-	-	310.38	397.13	-	-	397.13
b) Share suspense account			-	86.75	-	-	86.75	-	-	-	-
c) Other Equity	1	D, E, F, G, I	9,996.49	8,416.52	271.24	-	18,684.25	18,676.43	283.31	-	18,959.74
Total - Equity			**10,306.87**	**8,503.27**	**271.24**	**-**	**19,081.38**	**19,073.56**	**283.31**	**-**	**19,356.87**
Liabilities											
1 Non-current liabilities											
a) Financial liabilities											
i) Borrowings	1	E	22.68	-	(2.72)	-	19.96	23.58	(7.85)	-	15.73
ii) Other financial liabilities	2	F	-	-	-	2.81	2.81	-	-	2.24	2.24
b) Provisions	1	F	35.40	-	(3.02)	-	32.38	45.28	(2.00)	-	43.28
c) Deferred tax liabilities (net)	1	G	564.90	-	25.01	-	589.91	492.89	4.36	-	497.25
d) Other non-current liabilities	2	F	5.99	-	-	(2.81)	3.18	7.95	-	(2.24)	5.71
Total - Non-current liabilities			**628.97**	**-**	**19.27**	**-**	**648.24**	**569.70**	**(5.49)**	**-**	**564.21**
2 Current liabilities											
a) Financial liabilities											
i) Trade payables	2	F	679.82	15.46	-	(36.48)	658.80	896.98	-	(81.64)	815.34
ii) Other financial liabilities	1 2	H D, F	-	3,500.27	0.28	458.85	3,959.40	-	0.32	544.53	544.85
b) Other current liabilities	1 2	H D, F	1,461.93	-	0.02	(422.38)	1,039.57	1,464.26	0.08	(367.26)	1,097.08
c) Provisions	1 2	I E	1,084.34	-	(224.12)	(777.28)	82.94	1,249.73	(275.31)	(886.34)	88.08
d) Current tax liabilities (Net)	2	E	-	1.75	-	777.25	779.00	-	-	886.34	886.34
Total - Current liabilities			**3,226.09**	**3,517.48**	**(223.82)**	**(0.04)**	**6,519.71**	**3,610.97**	**(274.91)**	**95.63**	**3,431.69**
Total - Liabilities			**3,855.06**	**3,517.48**	**(204.55)**	**(0.04)**	**7,167.95**	**4,180.67**	**(280.40)**	**95.63**	**3,995.90**
TOTAL - EQUITY AND LIABILITIES			**14,161.93**	**12,020.75**	**66.69**	**(0.04)**	**26,249.33**	**23,254.23**	**2.91**	**95.63**	**23,352.77**

Note 55 - First time adoption of Ind AS (Ind AS 101)

Effect of Ind AS adoption on the statement of Profit and loss for the year ended 31st December, 2016.

Particulars	Notes		Previous GAAP ₹ in Crore	Ind As Adjustments ₹ in Crore	As per Ind AS ₹ in Crore
1 Income					
Revenue from operation	1	E, J (i), J (ii)	9,267.82	1,233.02	10,500.84
Other income	1	D	576.23	(66.02)	510.21
Total income			**9,844.05**	**1,167.00**	**11,011.05**
2 Expenses					
Cost of materials consumed			776.68	-	776.68
Changes in inventories of finished goods, work-in-progress and stock-in-trade			(30.19)	-	(30.19)
Excise duty paid	1	J (ii), J (iii)	-	1,304.20	1,304.20
Employee benefits expense	1	K	593.72	(2.79)	590.93
Finance costs	1	E, F, K	71.48	2.76	74.24
Depreciation and amortisation expense	1	A	850.13	(1.28)	848.85
Power and fuel			1,831.96	-	1,831.96
Freight and forwarding expense			2,472.84	-	2,472.84
Other expenses	1	A, J (i), J (iii)	1,941.84	(78.05)	1,863.79
			8,508.46	1,224.84	9,733.30
Less : Self consumption of cement (net of excise duty)			1.72	-	1.72
Total expenses			8,506.74	1,224.84	9,731.58
3 Profit before tax (1-2)			1,337.31	(57.84)	1,279.47
4 Tax expense					
For the current year					
Current tax			424.75	-	424.75
Deferred tax - charge / (credit)	1	G	(68.01)	(19.99)	(88.00)
Relating to earlier years					
Current tax - charge / (credit)			14.48	-	14.48
Deferred tax - charge / (credit)			(4.00)	-	(4.00)
			367.22	(19.99)	347.23
5 Profit for the year (3-4)			970.09	(37.85)	932.24
6 Other comprehensive income					
Items not to be reclassified to profit or loss in subsequent periods					
Remeasurement gains/(losses) on defined benefit plans	1	K	-	(1.90)	(1.90)
Tax adjustment on above	1	G	-	0.66	0.66
Total other comprehensive income			-	(1.24)	(1.24)
7 Total comprehensive income for the year (5+6)			970.09	(39.09)	931.00

Note 55 - First time adoption of Ind AS (Ind AS 101)

Effect of Ind AS adoption on the statement of cash flow for the year ended 31st December, 2016.

Particulars	Previous GAAP ₹ in Crore	Ind AS Adjustments ₹ in Crore	As per Ind AS ₹ in Crore
Net cash flow from operating activities	1,415.39	0.44	1,415.83
Net cash flow from investing activities	(3,402.60)	(66.46)	(3,469.06)
Net cash flow from financing activities	(682.26)	(1.00)	(683.26)
Net decrease in cash and cash equivalents	**(2,669.47)**	**(67.02)**	**(2,736.49)**
Cash and cash equivalents acquired pursuant to amalgamation (Refer note 54)	57.64	(57.64)	-
Cash and cash equivalents as at the beginning of the year	5,031.70	100.08	5,131.78
Cash and cash equivalents as at the end of the year	**2,419.87**	**(24.58)**	**2,395.29**

Reconciliation of equity as per previous GAAP to Ind AS is as under :

Particulars	Note		As at 31.12.2016 ₹ in Crore	As at 01.01.2016 ₹ in Crore
Share capital			397.13	310.38
Reserves and surplus			18,676.43	9,996.49
Equity as per previous GAAP			19,073.56	10,306.87
Add: Impact of HIPL amalgamation (Refer note 54)			-	8,503.27
Equity as per previous GAAP			**19,073.56**	**18,810.14**
Ind AS adjustments :				
a) Dividend not recognised as liability until declared	1	I	275.31	224.14
b) Financial liabilities measured at amortised cost using EIR method	1	E, F	9.85	5.74
c) Spare parts capitalised	1	A (i)	2.26	-
d) Gain / (loss) on measurement of investments at fair value through the statement of profit and loss	1	D	0.49	66.50
e) Consolidation of joint operation			(0.24)	(0.13)
			287.67	296.25
f) Tax adjustment on above items			(4.36)	(25.01)
Total Equity as per Ind AS			**19,356.87**	**19,081.38**

Reconciliation of net profit as reported under previous GAAP and total comprehensive income as per Ind AS is as under :

Particulars	Note		2016 ₹ in Crore
Net profit for the period as per previous GAAP			**970.09**
Ind AS adjustments			
a) Gain / (loss) on measurement of investments at fair value through the statement of profit and loss	1	D	(66.03)
b) Spare parts capitalised	1	A (i)	2.26
c) Financial liabilities measured at amortised cost using EIR method	1	E, F	4.10
d) Reclassification of actuarial gain / (loss), arising in respect of defined benefit plans to other comprehensive income	1	K	1.90
e) Consolidation of joint operation			(0.07)
			(57.84)
f) Tax adjustment on above items	1	G	19.99
Net profit as per Ind AS			**932.24**
Other comprehensive income (net of tax expense)	1	G, K	(1.24)
Total Comprehensive income as per Ind AS			**931.00**

Note : Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with net profit under the previous GAAP.

Note 55 - First time adoption of Ind AS (Ind AS 101)

Explanatory comments to first time adoption note (Ind AS 101)

1) IND AS adjustments

A) Property, plant and equipment

i) As per Ind AS 16, spare parts, stand- by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') when they meet the following criteria:

- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one period.

Accordingly, spare parts of ₹ 2.31 crore for 31st December, 2016 are recognised in PPE, resulting in reduction in other expenses (consumption of spare parts), further related depreciation on spare parts capitalised of ₹ 0.05 crore is included in depreciation / amortisation charge for the year.

ii) Under previous GAAP, leasehold lands was included in the property, plant and equipment as AS 19 specifically excluded land from its perview. However, as per Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset have not been transferred in the name of Company, those land leases are reclassified as operating leases and accordingly the amount paid towards such leases of ₹ 37.91 crore and ₹ 1.34 crore (1st January, 2016 - ₹ 39.24 crore and ₹ 1.34 crore) shown as prepayments under other non-current assets and other current assets respectively. Depreciation to the extent of ₹ 1.33 crore pertaining to leasehold land has been reversed and the same is expensed under the head "other expenses" (rent). This has no impact on statement of profit and loss or total equity.

B) Goodwill

During the year 2016, pursuant to scheme of amalgamation of HIPL with the Company, the excess of the consideration over the fair value of net assets taken over and the face value of the shares of the Company cancelled amounting to ₹ 2,827.48 crore was recognised as Goodwill in accordance with the Accounting Standard AS 14 - Accounting for amalgamation. The goodwill was amortized over a period of three years from the appointed date 1st April, 2013. As a result of above ₹ 2,591.85 crore, being amount till 31st December, 2015 was charged to "retained earnings" and balance ₹ 235.63 crore, as on 1st January, 2016 was recognised as goodwill and amortized in the previous year ended 31st December, 2016 (Refer note 54).

C) Other Intangible assets

Mining leasehold land of ₹ 18.10 crore (1st January, 2016 - ₹ 19.18 crore) disclosed under Property Plant and Equipment in previous GAAP have been reclassified to other intangible assets, as per Ind AS.

D) Investments

Under Ind AS, investments in liquid mutual funds are required to be measured at fair value in accordance with the principles of Ind AS 109 "Financial Instruments". Accordingly at the date of transition to Ind AS, difference between the fair value of investment and previous GAAP carrying amount, which is ₹ 66.52 crore, has been recognised in retained earnings. Fair value changes subsequent to transition date amounting to ₹ (66.03) crore has been recognised in the statement of profit and loss in other income. Effectively impact of fair valuation of liquid mutual funds as on 31st December, 2016 is ₹ 0.49 crore. Under Ind AS, joint operation needs to be consolidated in standalone, hence proportionate share in cash and cash equivalents of Wardha Valley Coal Field Private Limited of ₹ 0.16 crore (1st January, 2016 - ₹ 0.17 crore) has been considered.

E) Interest free loan from state government

Under previous GAAP, there was no specific guidance on accounting for government loans at below market rate of interest. Hence, these were recognised and carried at the amount of the proceeds received. Whereas in Ind AS, the benefit of government loans with below market rate of interest is accounted for as a government grant and is measured as the difference between the initial carrying amount of the loan determined in accordance with Ind AS 109 and the proceeds received from the loan. After initial recognition, the loan has been subsequently carried at amortised cost i.e. interest based on the market rate has been recognised under the effective interest rate method as part of finance costs. Accordingly, the Company has recognised the difference between the amount payable and its present value, which is ₹ 2.72 crore, in retained earning as on transition date and subsequently unwinding impact of ₹ (0.77) crore and discounting impact of ₹ 5.90 crore on account of fresh installment received during the year ended 31st December, 2016 are considered in finance cost and revenue from operation respectively.

F) Provision for mines reclamation expenses

Under previous GAAP, provision for mines reclamation is initially measured at the undiscounted amount to settle the obligation, however, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The Company has discounted the provision for mines reclamation to present value at the reporting dates resulting in the provisions being decreased by ₹ 2.00 crore (1st January, 2016 - ₹ 3.02 crore). Consequently, the unwinding of discount has been recognised as a finance cost i.e. ₹ 1.04 crore for the year ended 31st December, 2016.

Note 55 - First time adoption of Ind AS (Ind AS 101)

G) Deferred tax

Previous GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP. In addition, the various transitional adjustments lead to temporary differences. And according to the accounting policies, the Company has to account for such differences. Deferred Tax adjustments are recognised in relation such underlying transactions of ₹ 4.36 crore (1st January, 2016 - ₹ 25.01 crore). Consequently, tax impact on account of Ind AS on the statement of profit and loss is ₹ 19.99 crore and on OCI is ₹ (0.66) crore.

H) Other financial liabilities & other current liabilities

Entire impact is on account of consolidation of joint operation.

I) Proposed dividend

Under previous GAAP, proposed dividend including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. In case of the Company, the declaration of dividend occurs after period end. Accordingly, proposed dividend along with dividend distribution tax liability associated with it, amounting to ₹ 224.14 crore as at the date of transition and for financial year 2016 - ₹ 275.31 crore respectively have been reversed and adjusted in retained earnings of respective financial year.

J) Revenue from operations

i) Under previous GAAP, cash discount of ₹ 43.21 crore was recognised as part of other expenses which has now been adjusted against the revenue under Ind AS during the year ended 31st December, 2016.

ii) Under previous GAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty of ₹ 1,270.33 crore has been included in revenue from operations and shown separately as an expense (refer note - 56).

iii) Excise duty also includes ₹ 27.94 crore and ₹ 5.93 crore on account of captive consumption of clinker and variation of opening and closing stock recognised under other expenses which has now been regrouped.

K) Employee benefits and finance costs

Under Ind AS, return on plan assets ₹ 9.24 crore and net interest expense on the net defined benefit liability ₹ (10.15) crore are reclassified from employee benefits expense to finance costs and re-measurements i.e. actuarial gains and losses of ₹ (1.90) crore are recognised in other comprehensive income from earlier employee benefits expense. Additionally, employee benefits and finance cost includes an impact of ₹ 0.02 crore and ₹ 0.04 crore on account of consolidation of joint operation.

2) Reclassification

A) Investments in subsidiaries and joint venture

Interest in subsidiaries and joint venture of ₹ 11,815.10 crore (1st January, 2016 - ₹ 77.30 crore) are accounted as per Ind AS 111 "Disclosure of Interest in other entities".

B) Non-current tax assets

As per schedule III, non-current income tax assets of ₹ 70.43 crore (1st January, 2016 - ₹ 79.79 crore) are required to be presented on the face of balance sheet and hence they are reclassified accordingly.

C) Cash and cash equivalents

i) Investments in short term highly liquid mutual funds of ₹ 1,065.02 crore (1st January, 2016 - ₹ 2,119.23 crore) forming part of cash and cash equivalents.

ii) Fixed deposits with maturity of more than three months but less than twelve months of ₹ 158.02 crore (1st January 2016 - ₹ 35.91 crore) and earmarked balances with banks amounting to ₹ 24.74 crore (1st January 2016 - ₹ 24.25 crore) have been reclassified from cash and bank balances to other bank balances as per Schedule III to Companies Act, 2013.

iii) Mainly includes deposit with Housing Development Finance Corporation Limited of ₹ 100.00 crore (1st January, 2016 - ₹ 100 crore) forming part of cash and cash equivalents.

Note 55 - First time adoption of Ind AS (Ind AS 101)

D) Other financial liabilities

The Company has mainly reclassified the security deposits of ₹ 316.63 crore (1st January, 2016 - ₹ 305.42 crore) being financial in nature from other current liabilities to other financial liabilities.

E) Current tax liabilities

As per schedule III, current tax liabilities of ₹ 886.34 crore (1st January, 2016 - ₹ 777.25 crore) are required to be presented on the face of balance sheet and hence they are reclassified accordingly.

F) Other adjustments

To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

G) Statement of cash flows

The transition from previous GAAP to Ind AS had no material impact on the Statement of cash flows.

Note 56

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 year ended 31st December, 2017, includes excise duty up to 30th June, 2017. Revenue of earlier periods included excise duty which is now subsumed in GST.

Note 57

The opening balance sheet and financial statements for the year ended 31st December, 2016 have been audited by S R B C & CO LLP, the predecessor auditor.

Note 58

a) Other income includes ₹ Nil (previous year - ₹ 21.04 crore) written back towards interest on income tax relating to earlier years.

b) Tax expense for earlier years represents write back upon completion of assessments and change in estimate of allowability of certain deductions.

Note 59 - Capitalisation of expenditure

Particulars	As at 31-12-2017 ₹ in crore	As at 31-12-2016 ₹in crore
Capital work-in-progress includes :		
Expenditure during construction for projects		
Opening balance	**5.47**	1.68
Expenditure during construction for projects	**12.29**	3.79
	17.76	5.47
Less Capitalised during the year	**-**	-
Balance included in capital work-in-progress	**17.76**	5.47

Note 60

Figures below ₹ 50,000 have not been disclosed.

Note 61

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

Rajiv Gandhi
Company Secretary

N.S. Sekhsaria
Chairman & Principal Founder

Martin Kriegner
Director

B. L. Taparia
Director

Haigreve Khaitan
Director

Ajay Kapur
Managing Director & Chief Executive Officer

Rajendra P. Chitale
Chairman - Audit Committee

Shailesh Haribhakti
Director

Omkar Goswami
Director

Usha Sangwan
Director

Mumbai, 20th February, 2018

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"), its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31st December, 2017, 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.

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 statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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 and 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 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 sub-paragraphs (a) and (b) of 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 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31st December, 2017, 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 Matters

1. 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 order dated 31st August, 2016, the Competition Commission of India (CCI) has 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 (subsidiary of the Parent). The Parent and ACC Limited have filed appeals against the CCI order before the Competition Appellate Tribunal (COMPAT). The COMPAT has granted a stay on the CCI order on the condition that the Parent and ACC Limited deposit 10% of the penalty, amounting to Rs. 231.15 crores, which has been deposited.

b. In terms of order dated 19th January, 2017, the CCI has imposed penalty of Rs. 65.16 crores pursuant to the reference filed by the Director, Supplies and Disposals, State of Haryana in August 2012 for alleged contravention of the provisions of the Competition Act, 2002 by the Parent and ACC Limited. An appeal has been filed with the COMPAT against the said order and an interim stay has been granted by the COMPAT in the matter.

As per a recent amendment, the Competition Appellate Tribunal (COMPAT) has ceased to exist effective 26th May, 2017. The appellate function under the Competition Act, 2002 (Competition Act) is now conferred to the National Company Law Appellate Tribunal (NCLAT) and accordingly, the matters are now pending with NCLAT.

Based on the advice of external legal counsel, no provision has been considered necessary by the Parent and ACC Limited in respect of these matters. Our report is not modified in respect of these matters.

2. We draw attention to Note 56 to the Consolidated Ind AS Financial Statements which describes the accounting for amalgamation of Holcim (India) Private Limited with the Company in accordance with then applicable accounting standards as per the scheme. Our report is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of 8 subsidiaries, whose financial statements reflect total assets of Rs. 113.96 crores as at 31st December, 2017, total revenues of Rs. 33.29 crores and net cash outflows amounting to Rs. 0.62 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. 12.72 crores and total comprehensive income of Rs. 12.69 crores for the year ended 31st December, 2017, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 2 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 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 subsidiaries, joint ventures and associates is based solely on the reports of the other auditors. Our report is not modified in respect of this matter.

(b) The comparative financial information for the year ended 31st December 2016 and the transition date opening balance sheet as at 1st January 2016 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated 8th December, 2017 expressed an unmodified opinion. Our report is not modified in respect of this matter.

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 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, 2017 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 2017 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 the internal financial controls over financial reporting of the Parent / subsidiary companies / associate companies / joint venture companies incorporated in India.

(g) 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, 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 which have since been paid.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No.117366W / W-100018)

B. P. Shroff
Partner
(Membership No. 34382)
Mumbai, 20th February, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated Ind AS financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2017)

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, 2017, we have audited the internal financial controls over financial reporting of Ambuja Cements Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and 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, 2017, 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.

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 eight 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, where applicable.

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, 20th February, 2018

Consolidated Balance Sheet

As at 31st December, 2017

Particulars	Notes	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
ASSETS				
1 Non-current assets				
a) Property, plant and equipment	4	**12,948.13**	13,482.66	11,391.42
b) Capital work-in-progress		**667.20**	582.04	2,795.48
c) Goodwill	5	**7,881.49**	7,881.49	8,106.90
d) Other intangible assets	5A	**68.60**	46.18	45.58
e) Intangible assets under development		**-**	-	16.67
f) Investments in associates and joint ventures	6	**119.77**	113.15	110.23
g) Financial assets				
i) Investments	7	**33.30**	61.65	46.65
ii) Loans	8	**278.59**	254.04	299.67
iii) Other financial assets	9	**50.98**	47.68	28.47
h) Non-current tax assets (net)		**377.92**	376.89	389.55
i) Other non-current assets	10	**1,997.80**	1,689.87	1,890.86
Total - Non-current assets		**24,423.78**	24,535.65	25,121.48
2 Current assets				
a) Inventories	11	**2,458.27**	2,163.51	2,085.94
b) Financial assets				
i) Investments	12	**-**	-	3.70
ii) Trade receivables	13	**931.53**	924.07	718.63
iii) Cash and cash equivalents	14	**5,873.51**	4,210.05	6,520.62
iv) Bank balances other than cash and cash equivalents	15	**358.07**	353.96	93.82
v) Loans	16	**45.27**	33.52	32.83
vi) Other financial assets	17	**63.97**	49.20	54.91
c) Current tax assets (net)		**0.25**	0.79	0.42
d) Other current assets	18	**1,332.60**	540.93	444.10
		11,063.47	8,276.03	9,954.97
e) Assets classified as held for sale		**13.14**	12.13	13.72
Total - Current assets		**11,076.61**	8,288.16	9,968.69
TOTAL - ASSETS		**35,500.39**	32,823.81	35,090.17
EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	19	**397.13**	397.13	310.38
b) Share suspense account	19A	**-**	-	86.75
c) Other equity	20	**20,275.07**	19,423.79	19,015.77
Total - Equity attributable to owners of the company		**20,672.20**	19,820.92	19,412.90
d) Non-controlling interest		**4,607.96**	4,370.24	4,244.28
Total Equity		**25,280.16**	24,191.16	23,657.18
LIABILITIES				
1 Non-current liabilities				
a) Financial liabilities				
i) Borrowings	21	**24.12**	15.73	19.96
ii) Other financial liabilities	22	**1.75**	2.24	2.81
b) Provisions	23	**180.26**	185.56	161.30
c) Deferred tax liabilities (net)	24	**1,139.24**	1,015.28	1,128.85
d) Other non-current liabilities	25	**7.19**	5.71	3.18
Total - Non-current liabilities		**1,352.56**	1,224.52	1,316.10
2 Current liabilities				
a) Financial liabilities				
i) Trade payables	57	**2,798.34**	2,068.48	1,480.54
ii) Other financial liabilities	26	**1,235.78**	1,380.54	4,900.91
b) Other current liabilities	27	**3,230.32**	2,513.38	2,369.56
c) Provisions	28	**139.03**	140.42	132.17
d) Current tax liabilities (Net)		**1,464.20**	1,305.31	1,233.71
Total - Current liabilities		**8,867.67**	7,408.13	10,116.89
Total Liabilities		**10,220.23**	8,632.65	11,432.99
TOTAL - EQUITY AND LIABILITIES		**35,500.39**	32,823.81	35,090.17

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, 20th February, 2018

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman & Principal Founder

Rajendra P. Chitale
Chairman - Audit Committee

Martin Kriegner
Director

Shailesh Haribhakti
Director

B. L. Taparia
Director

Omkar Goswami
Director

Haigreve Khaitan
Director

Usha Sangwan
Director

Ajay Kapur
Managing Director & Chief Executive Officer

Consolidated Statement of profit and loss

For the year ended 31st December, 2017

Particulars	Notes	2017 ₹ in crore	2016 ₹ in crore
1 Income			
a) Revenue from operations	29	**25,282.30**	22,932.22
b) Other income	30	**322.61**	467.85
Total Income		**25,604.91**	23,400.07
2 Expenses			
a) Cost of materials consumed	31	**2,852.89**	2,341.76
b) Purchase of stock-in-trade		**0.84**	2.52
c) Changes in inventories of finished goods, work-in progress and stock-in-trade	32	**(77.72)**	(13.17)
d) Excise duty	65	**1,683.86**	2,838.45
e) Employee benefits expense	33	**1,511.24**	1,370.07
f) Finance costs	34	**205.78**	152.99
g) Depreciation and amortisation expense	35	**1,219.45**	1,460.93
h) Power and fuel		**4,952.85**	3,994.26
i) Freight and forwarding expenses	36	**6,307.53**	5,111.84
j) Other expenses	37	**4,200.37**	4,112.98
		22,857.09	21,372.63
k) Self consumption of cement (net of excise duty)		**(7.14)**	(7.68)
Total Expenses		**22,849.95**	21,364.95
3 Profit before share of profit of associates and joint ventures, exceptional items and tax expenses (1-2)		**2,754.96**	2,035.12
4 Share of profit of associates and joint ventures		**12.77**	11.31
5 Profit before exceptional items and tax (3+4)		**2,767.73**	2,046.43
6 Less : exceptional items	62	**-**	38.59
7 Profit before tax (5-6)		**2,767.73**	2,007.84
8 Tax expense			
a) For the current year			
Current tax		**766.24**	663.92
Deferred tax - charge / (credit)		**80.73**	(98.68)
b) Relating to earlier years			
Current tax - charge / (credit)		**(1.33)**	14.48
Deferred tax - charge / (credit)		**(22.79)**	(5.95)
		822.85	573.77
9 Profit for the year (7-8)		**1,944.88**	1,434.07
10 Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain / (losses) on defined benefit plans		**8.77**	(25.74)
Tax adjustment on above		**(3.38)**	8.94
Total other comprehensive income		**5.39**	(16.80)
11 Total comprehensive income for the year (9+10)		**1,950.27**	1,417.27
12 Net profit for the year attributable to			
Owners of the Company		**1,516.36**	1,105.08
Non-controlling interest		**428.52**	328.99
13 Other comprehensive income (net of tax) attributable to			
Owners of the Company		**4.32**	(9.00)
Non-controlling interest		**1.07**	(7.80)
14 Total comprehensive income attributable to			
Owners of the Company		**1,520.68**	1,096.08
Non-controlling interest		**429.59**	321.19
15 Earnings per share of ₹ 2 each - in ₹	38		
Basic		**7.64**	5.57
Diluted		**7.64**	5.56

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, 20th February, 2018

For and on behalf of the Board

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

N.S. Sekhsaria
Chairman & Principal Founder

Rajendra P. Chitale
Chairman - Audit Committee

Martin Kriegner
Director

Shailesh Haribhakti
Director

B. L. Taparia
Director

Omkar Goswami
Director

Haigreve Khaitan
Director

Usha Sangwan
Director

Ajay Kapur
Managing Director & Chief Executive Officer

Consolidated statement of changes in equity for the year ended 31st December, 2017

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore
A Equity share capital		
Opening Balance	**397.13**	310.38
Changes in equity share capital during the year, pursuant to the Scheme of amalgamation (Refer note 56)		
Shares of the Company held by HIPL, cancelled	-	(30.13)
Shares issued	-	116.88
Closing balance	**397.13**	397.13
B Share suspense account		
Opening Balance	-	86.75
Adjustments pursuant to the Scheme of amalgamation (Refer note 56)		
Shares of the Company held by HIPL, cancelled	-	30.13
Shares issued	-	(116.88)
Closing balance	-	-

C Other Equity

₹ in crore

Particulars	Reserves and surplus: General reserve (refer note a)	Capital redemption reserve (refer note b)	Capital reserve (refer note c)	Subsidy (refer note d)	Securities premium account (refer note e)	Retained earnings	Total other equity attributable to owners of the Company	Non controlling interest	Total
Balance as at 1st January, 2016	6,649.47	9.93	134.71	5.02	12,478.31	(261.67)	19,015.77	4,244.28	23,260.05
Adjustments pursuant to the scheme of amalgamation (Refer note 56)									
Interim equity dividend paid by HIPL including tax thereon	-	-	-	-	-	(199.96)	(199.96)	-	(199.96)
Inter-company elimination of dividend	-	-	-	-	-	74.69	74.69	-	74.69
Share issue expenses (net of tax of ₹ 3.82 crore)	-	-	-	-	(7.25)	-	(7.25)	-	(7.25)
Transfer from general reserve to retained earnings	(850.00)	-	-	-	-	850.00	-	-	-
Profit for the period	-	-	-	-	-	1,105.08	1,105.08	328.99	1,434.07
Other comprehensive income (net of tax expenses)	-	-	-	-	-	(9.00)	(9.00)	(7.80)	(16.80)
Transfer from retained earnings to general reserve	15.02	-	-	-	-	(15.02)	-	-	-
Premium on shares issued held out of abeyance by subsidiary	-	-	-	-	0.10	-	0.10	0.10	0.20
Equity dividend including dividend distribution tax (Refer note 49)	-	-	-	-	-	(522.99)	(522.99)	(159.45)	(682.44)
Dividend distribution tax on equity dividend paid by subsidiary and joint ventures	-	-	-	-	-	(32.65)	(32.65)	(32.46)	(65.11)
Shares issued out of held in abeyance	-	-	-	-	-	-	-	0.03	0.03
Acquisition of equity shares from non-controlling interest	-	-	-	-	-	-	-	(3.45)	(3.45)
Balance as at 31st December, 2016	5,814.49	9.93	134.71	5.02	12,471.16	988.48	19,423.79	4,370.24	23,794.03

Consolidated statement of changes in equity for the year ended 31st December, 2017

₹ in crore

Particulars	Reserves and surplus								
	General reserve (refer note a)	Capital redemption reserve (refer note b)	Capital reserve (refer note c)	Subsidy (refer note d)	Securities premium account (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	134.71	5.02	12,471.16	988.48	19,423.79	4,370.24	23,794.03
Profit for the period	-	-	-	-	-	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 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	134.71	5.02	12,471.16	1,839.76	20,275.07	4,607.96	24,883.03

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 Account**

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, 20th February, 2018

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
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For and on behalf of the Board

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Managing Director & Chief Executive Officer

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Chairman - Audit Committee

Shailesh Haribhakti
Director

Omkar Goswami
Director

Usha Sangwan
Director

Consolidated Cash Flow Statement

For the year ended 31st December, 2017

Particulars	2017 ₹ in crore	2016 ₹ in crore
Cash flows from operating activities		
Profit before tax	**2,767.73**	2,007.84
Adjustment for		
Depreciation and amortisation expense	**1,219.45**	1,460.93
Loss / (profit) on property, plant & equipment sold, discarded and written off (net)	**12.51**	(14.53)
Dividend income from joint venture Company	**(1.12)**	(0.62)
Net gain on non-current investment measured through FVTPL	**(10.32)**	(11.31)
Net gain on liquid mutual funds measured through FVTPL	**(105.83)**	(161.59)
Finance costs	**205.78**	152.99
Interest income	**(200.28)**	(238.54)
Interest on income tax written back	**-**	(21.04)
Provision for slow and non moving spares	**(16.55)**	17.01
Discounting income on pre-payment of value added tax loan	**(4.98)**	(8.42)
Discounting income on interest free loan	**(4.01)**	(5.90)
Unrealised exchange (gain) / loss (net)	**(0.77)**	(2.68)
Provisions no longer required written back (including write back on royalty on minerals)	**(48.04)**	(30.82)
Inventories written off	**3.04**	4.73
Bad debts, sundry debit balances written off / written back (net)	**(1.92)**	49.92
Unrealised share of profit in associates and joint ventures	**(12.77)**	(11.31)
Other non cash items	**3.72**	5.29
	1,037.91	1,184.11
Operating profit before working capital changes	**3,805.64**	3,191.95
Adjustment for		
Trade receivables, loans and other assets	**(949.33)**	(367.93)
Inventories	**(281.24)**	(100.22)
Trade payables, other liabilities and provisions	**1,390.44**	682.43
	159.87	214.28
Cash generated from operations	**3,965.51**	3,406.23
Direct taxes paid (net of refunds) (Refer note 1 in cash flow)	**(531.59)**	(595.94)
Net cash flow from operating activities (A)	**3,433.92**	2,810.29
Cash flows from investing activities		
Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)	**(1,105.72)**	(914.43)
Proceeds from sale of property, plant and equipment	**3.31**	29.23
Acquisition of equity shares in HIPL (Refer Note 56)	**-**	(3,500.27)
Acquisition of equity shares in subsidiary	**-**	(13.67)
Inter corporate deposits and loans given to joint ventures	**(0.12)**	(0.21)
Inter corporate deposits and loans repaid by joint ventures	**4.18**	5.26
Proceeds from sale / maturity of non-current investments (net)	**38.67**	-
Net gain on liquid mutual funds measured through FVTPL	**83.75**	159.94
Unclaimed sale proceeds of the odd lot shares of erstwhile Ambuja Cement Eastern Limited (ACEL) and Ambuja Cements Rajasthan Limited (ACRL)	**-**	(0.01)
Investments in bank deposits (having original maturity of more than three months)	**(4.96)**	(281.48)
Redemption / maturity of bank deposits (having original maturity of more than three months)	**0.15**	0.05
Dividend received from joint venture company	**2.25**	0.62
Dividend received from associates	**4.75**	7.64
Interest received (including Interest on Income tax)	**194.95**	342.41
Net cash used in investing activities (B)	**(778.79)**	(4,164.92)

Consolidated Cash Flow Statement

Particulars	2017 ₹ in crore	2016 ₹ in crore
Cash flows from financing activities		
Proceeds from issuance of equity share capital (including securities premium)	-	0.23
Stamp duty paid on HIPL merger, adjusted in equity	-	(11.07)
Proceeds from non-current borrowings	**10.50**	14.13
Repayment of non-current borrowings	**(13.23)**	(10.06)
Discounting income on pre-payment of value added tax loan	**4.98**	8.42
Interest paid	**(155.83)**	(87.02)
Net movement in earmarked balances with banks	**(0.93)**	-
Dividend paid on equity shares	**(714.51)**	(710.59)
Tax on equity dividend paid	**(145.65)**	(161.63)
Net cash used in financing activities (C)	**(1,014.67)**	(957.59)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**1,640.46**	(2,312.22)
Cash and cash equivalents		
Cash and cash equivalents at the end of the year (Refer note 14)	**5,873.51**	4,210.05
Adjustment for fair value gain on liquid mutual funds through profit and loss	**(23.00)**	(1.65)
	5,850.51	4,208.40
Cash and cash equivalents at the beginning of the year (Refer note 14)	**4,210.05**	6,520.62
Net increase / (decrease) in cash and cash equivalents	**1,640.46**	(2,312.22)

Notes :

1. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
2. In the current year, the group has converted 13% compulsorily convertible preference shares, its investment in Counto Microfine Products Private Limited for consideration other than cash.

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, 20th February, 2018

Suresh Joshi
Chief Financial Officer

Rajiv Gandhi
Company Secretary

For and on behalf of the Board

N.S. Sekhsaria
Chairman & Principal Founder

Rajendra P. Chitale
Chairman - Audit Committee

Martin Kriegner
Director

Shailesh Haribhakti
Director

B. L. Taparia
Director

Omkar Goswami
Director

Haigreve Khaitan
Director

Usha Sangwan
Director

Ajay Kapur
Managing Director & Chief Executive Officer

Notes to Consolidated 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 selling 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. Up to the year ended 31st December, 2016 the group prepared its consolidated financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (previous GAAP) which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These consolidated financial statements for the year ended 31st December, 2017 are the group's first Ind AS financial statements. The date of transition to Ind AS is 1st January, 2016 (transition date). Details of the principal adjustments along with related reconciliations are detailed in note 60 (first time adoption).

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.

Consolidated financial statements are presented in ₹ which is the functional currency of the group and all values are rounded to the nearest crore, except otherwise indicated.

B. Basis of Consolidation

I. The consolidated financial statements comprise those of Ambuja Cements Ltd 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.

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. 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. 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. 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.

IX. 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.

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. 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 the 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 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 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 reserve embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
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 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. 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 life.

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 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 assets 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 finished goods includes excise duty, as applicable. 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 off.

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 of:**

i. Current financial assets mainly consist of trade receivables, investment in liquid mutual funds, cash and bank balances, fixed deposits with bank 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**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. 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)

Debt instruments, liquid mutual funds, derivatives and equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

This category comprises investments in liquid mutual funds and investments in equity instruments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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 other comprehensive income (OCI). There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity.

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 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 or FVTOCI.

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 its 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 liability comprise of followings:**

- Non-current financial liabilities mainly consist of borrowings and liability for capital expenditure.
- Current financial liabilities mainly consist of trade payables, liability for capital expenditure, security deposit from dealer, transporter and contractor, staff related and other payables.

ii. **Subsequent measurement of financial liabilities**

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 costs 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.

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.

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 Compressive 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 disclosed 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.

II. **Rendering of services**

Revenue from services is recognised (net of service tax / goods and services 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 of 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

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. 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.

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 takes 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 costs consist 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.

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**

Deferred tax assets include Minimum Alternate Tax (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 credit 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.

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.

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 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 relate primarily to defined benefit obligations, useful life of property plant and equipment, revenue recognition, fair value measurement of financial instruments and mines restoration at the end of the reporting period.

I. **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.

II. **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.

III. **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.

IV. **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.

V. **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.

VI. **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 specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

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.

VIII. **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.

Note 4 - Property, plant and equipment

₹ in crore

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, 2016	Charge for the year (e)	Deductions/ Transfers	As at 31st December, 2017	as at 31st December, 2017 (g)
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
Marine structures (b)	24.39	-	-	24.39	3.82	3.83	-	7.65	16.74
Plant and equipment (owned) (c)	9,669.08	419.25	31.61	10,056.72	966.77	953.26	7.08	1,912.95	8,143.77
Railway sidings and locomotives (d)	242.27	51.31	0.07	293.51	21.31	24.96	0.01	46.26	247.25
Furniture and fixtures	43.87	3.99	0.47	47.39	8.56	8.06	0.15	16.47	30.92
Office equipment	94.81	16.72	1.30	110.23	29.15	27.02	1.16	55.01	55.22
Ships	126.42	0.22	-	126.64	7.62	7.64	-	15.26	111.38
Vehicles	113.35	31.42	1.60	143.17	18.04	20.09	0.66	37.47	105.70
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

Particulars	As at 31.12.2016								
	Gross block				Accumulated depreciation				Net block
	Deemed cost as at 1st January, 2016 (Refer note 5B)	Additions	Deductions/ Transfers	As at 31st December, 2016	As at 1st January, 2016	Charge for the year (e)	Deductions/ Transfers	As at 31st December, 2016	as at 31st December, 2016(g)
Freehold non-mining land	470.75	15.21	0.01	485.95	-	-	-	-	485.95
Freehold mining land	723.38	58.83	-	782.21	-	8.28	-	8.28	773.93
Leasehold land	69.47	23.07	5.21	87.33	-	0.85	0.02	0.83	86.50
Buildings, roads and water works (a)	2,267.07	764.70	0.36	3,031.41	-	154.06	0.01	154.05	2,877.36
Marine structures (b)	24.39	-	-	24.39	-	3.82	-	3.82	20.57
Plant and equipment (owned) (c)	7,389.15	2,296.23	16.30	9,669.08	-	968.48	1.71	966.77	8,702.31
Railway sidings and locomotives (d)	141.15	101.12	-	242.27	-	21.31	-	21.31	220.96
Furniture and fixtures	37.03	7.05	0.21	43.87	-	8.58	0.02	8.56	35.31
Office equipment	69.65	25.36	0.20	94.81	-	29.26	0.11	29.15	65.66
Ships	126.42	-	-	126.42	-	7.62	-	7.62	118.80
Vehicles	72.96	42.66	2.27	113.35	-	18.43	0.39	18.04	95.31
Total	11,391.42	3,334.23	24.56	14,701.09	-	1,220.69	2.26	1,218.43	13,482.66

Notes to Consolidated Financial Statements

Note 5 - Goodwill

₹ in crore

Particulars	As at 31.12.2017								
	Gross block				Accumulated amortisation				Net block
	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	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 5A - 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

Note 5 - Goodwill

Particulars	As at 31.12.2016								
	Gross block				Accumulated amortisation				Net block
	Deemed cost as at 1st January, 2016 (Refer note 5B)	Additions	Deductions/ Transfers	As at 31st December, 2016	As at 1st January, 2016	Charge for the year	Deductions/ Transfers	As at 31st December, 2016	as at 31st, December, 2016
Goodwill (f)	8,106.90	10.22	-	8,117.12	-	235.63	-	235.63	7,881.49
Total	8,106.90	10.22	-	8,117.12	-	235.63	-	235.63	7,881.49
Note 5A - Other intangible assets									
Mining rights	44.91	1.25	-	46.16	-	3.97	-	3.97	42.19
Water drawing rights	0.33	-	-	0.33	-	0.02	-	0.02	0.31
Computer software	0.34	3.75	-	4.09	-	0.41	-	0.41	3.68
Total	45.58	5.00	-	50.58	-	4.40	-	4.40	46.18

Note 5B - Deemed cost as at 1st January, 2016

₹ in crore

Particulars	As at 01.01.2016				
	Gross block	Accumulated Depreciation	Net block considered as deemed cost	Ind AS adjustments (Refer note 60)	Deemed cost as per PPE schedule
a) Property, plant and equipment					
Freehold non-mining land	439.93	-	439.93	30.82	470.75
Freehold mining land	750.54	43.77	706.77	16.61	723.38
Leasehold land	224.01	69.37	154.64	(85.17)	69.47
Buildings, roads and water works (a)	3,330.01	1,062.01	2,268.00	(0.93)	2,267.07
Marine structures (b)	98.46	74.07	24.39	-	24.39
Plant and equipment (c)	17,504.86	10,120.30	7,384.56	4.59	7,389.15
Railway sidings and locomotives (d)	265.82	124.67	141.15	-	141.15
Furniture and fixtures	97.66	60.35	37.31	(0.28)	37.03
Office equipment	279.29	209.59	69.70	(0.05)	69.65
Ships	250.07	123.76	126.31	0.11	126.42
Vehicles	191.91	107.29	84.62	(11.66)	72.96
Total	23,432.56	11,995.18	11,437.38	(45.96)	11,391.42
b) Intangible assets					
Mining rights	-	-	-	44.91	44.91
Water drawing rights	6.18	5.85	0.33	-	0.33
Computer software	120.79	120.45	0.34	-	0.34
	126.97	126.30	0.67	44.91	45.58
Goodwill (f)	10,758.17	2,651.27	8,106.90	-	8,106.90
Total	34,317.70	14,772.75	19,544.95	(1.05)	19,543.90

a) Includes :

i) Premises on ownership basis of ₹ 84.57 crore (31st December, 2016 - ₹ 84.57 crore; 1st January, 2016 - ₹ 84.57 crore) and ₹ 3.21 crore (31st December, 2016 - ₹ 1.61 crore; 1st January, 2016 - ₹ Nil) being accumulated depreciation thereon and cost of shares in co-operative societies are ₹ 16,750 (31st December, 2016 - ₹ 16,750; 1st January, 2016 - ₹ 17,590).

ii) ₹ 15.31 crore (31st December, 2016 - ₹ 15.31 crore; 1st January, 2016 - ₹ 14.40 crore) being cost of roads constructed by the Group, the ownership of which vests with the government / local authorities and ₹ 7.83 crore (31st December, 2016 ₹ 5.07 crore; 1st January, 2016 - Nil) being accumulated depreciation thereon.

b) Cost incurred by the Group, the ownership of which vests with the state maritime boards.

c) Includes ₹ 70.61 crore (31st December, 2016 - ₹ 69.96 crore; 1st January, 2016 - ₹ 69.96 crore) being cost of power lines incurred by the Group, the ownership of which vests with the state electricity boards and ₹ 4.43 crore (31st December, 2016 - ₹ 2.21 crore; 1st January, 2016 - ₹ Nil) being accumulated depreciation thereon.

d) Includes ₹ 11.75 crore (31st December, 2016 - ₹ 11.75 crore; 1st January, 2016 - ₹ 11.75 crore) being cost of railway sidings incurred by the Group, the ownership of which vests with the railway authorities and ₹ 3.08 crore (31st December, 2016 - ₹ 1.77 crore; 1st January, 2016 - ₹ Nil) being accumulated depreciation thereon.

e) Includes ₹ 0.15 crore (31st December, 2016 - ₹ 0.32 crore; 1st January, 2016 - ₹ Nil) capitalised as pre-operative expenses.

f) Pertains to goodwill on consolidation ₹ 7,881.49 crore (31st December, 2016 - ₹ 7,881.49 crore; 1st January, 2016 ₹ - 7,871.27 crore) and goodwill pursuant to amalgamation of HIPL with the Company ₹ Nil (31st December, 2016 - ₹ Nil; 1st January, 2016 - ₹ 235.63 crore) (Refer note 56).

g) As per the website of the Ministry of Corporate affairs, certain charges aggregating ₹ 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.

Particulars	Face value ₹	As at 31.12.2017 No. of shares/bonds	As at 31.12.2017 ₹ in crore	As at 31.12.2016 No. of shares/bonds	As at 31.12.2016 ₹ in crore	As at 01.01.2016 No. of shares/bonds	As at 01.01.2016 ₹ in crore
Note 6 - Investments in associates and joint ventures							
Investments accounted for using equity method							
A. Investments in associates							
Unquoted investments							
In fully paid equity shares							
Alcon Cement Company Private Limited	10	**408,001**	**18.20**	408,001	20.76	408,001	21.92
Asian Concretes and Cements Private Limited	10	**8,100,000**	**65.41**	8,100,000	57.98	8,100,000	57.31
Total (A)			**83.61**		78.74		79.23
B. Investments in joint ventures							
Unquoted							
In fully paid equity shares							
Aakaash Manufacturing Company Private Limited	10	**4,401**	**12.71**	4,401	12.71	4,401	11.07
Counto Microfine Products Private Limited	10	**9,010,002**	**23.45**	4,010,002	14.20	4,010,002	12.43
In fully paid 13% compulsorily convertible preference shares							
Counto Microfine Products Private Limited	10	**-**	**-**	7,500,000	7.50	7,500,000	7.50
Total (B)			**36.16**		34.41		31.00
Total (A + B)			**119.77**		113.15		110.23
Note 7 - Non-current investments							
A. Investments carried at amortised cost							
Unquoted							
Government and trust securities							
*National Savings Certificate ₹ 36,500 (31st December, 2016 - ₹ 36,500; 1st January, 2016 - ₹ 36,500), deposited with government department as security			**-**		-		-
Public sector bonds							
5.13% taxable redeemable bonds Himachal Pradesh Infrastructure Development Bonds	1,000,000	**333**	**33.30**	333	33.30	296	29.60
Total (A)			**33.30**		33.30		29.60
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	23,650,000	17.05
Unquoted							
In fully paid equity shares							
* Kanoria Sugar and General Mfg. Company Limited	10	**4**	**-**	4	-	4	-
* Gujarat Composites Limited	10	**60**	**-**	60	-	60	-
* Rohtas Industries Limited	10	**220**	**-**	220	-	220	-
* The Jaipur Udyog Limited	10	**120**	**-**	120	-	120	-
* Digvijay Finlease Limited	10	**90**	**-**	90	-	90	-
* The Travancore Cement Company Limited	10	**100**	**-**	100	-	100	-
* Ashoka Cement Limited	10	**50**	**-**	50	-	50	-
* The Sone Valley Portland Cement Company Limited	5	**100**	**-**	100	-	100	-
Gujarat Goldcoin Ceramics Limited	10	**1,000,000**	**-**	1,000,000	-	1,000,000	-
Total (B)			**-**		28.35		17.05
Total (A + B)			**33.30**		61.65		46.65
Total investments (6 + 7)			**153.07**		174.80		156.88

* Denotes amount less than ₹ 50,000

Note 7 - Non-current investments

₹ in crore

Particulars	Book value as at			Market value as at		
	31.12.2017	31.12.2016	01.01.2016	31.12.2017	31.12.2016	01.01.2016
Aggregate amount of unquoted investments	153.07	146.45	139.83	-	-	-
Aggregate amount of quoted investments	-	28.35	17.05	-	28.35	17.05
Total	153.07	174.80	156.88	-	28.35	17.05

Note 8 - Non-current loans

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Unsecured, considered good			
Security deposits	259.64	223.95	244.93
Loans to related party	3.91	13.61	37.93
Others	15.04	16.48	16.81
	278.59	254.04	299.67
Unsecured, considered doubtful			
Loans to related parties	25.80	20.10	0.83
Less : allowances for doubtful loans / deposits	25.80	20.10	0.83
	-	-	-
Total	278.59	254.04	299.67

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.

Note 9 - Other non-current financial assets

Particulars	As at 31.12.2017	As at 31.12.2016	As at 01.01.2016
Bank deposits with more than 12 months maturity	47.66	47.66	26.02
Others	3.32	0.02	2.45
Total	50.98	47.68	28.47

Note 10 - Other non-current assets

Particulars	As at 31.12.2017	As at 31.12.2016	As at 01.01.2016
Unsecured, considered good			
Capital advances	679.69	427.72	672.60
Advances other than capital advances			
Security deposit against government dues / liabilities	435.92	431.34	411.17
Prepayments under operating leases	39.65	44.77	49.95
Advances recoverable other than in cash	29.89	30.96	34.80
Incentives receivable under government incentive schemes	812.65	755.08	722.34
	1,997.80	1,689.87	1,890.86
Unsecured, considered doubtful			
Capital advances	6.64	6.33	4.86
Advances recoverable other than in cash	6.79	7.06	7.16
Incentives receivable under government incentive schemes and other receivables	36.22	36.44	38.23
Security deposit against government dues / liabilities	3.33	8.33	9.78
	52.98	58.16	60.03
Less : allowances for doubtful receivables	52.98	58.16	60.03
	-	-	-
Total	1,997.80	1,689.87	1,890.86

No 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 receivables are due by firms or private companies in which any director is a partner, a director or a member.

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 11 - Inventories			
At lower of cost and net realisable value			
Raw materials (including in transit - ₹ 11.13 crore; 31st December, 2016 - ₹ 4.13 crore; 1st January, 2016 - ₹ 4.97 crore)	**211.18**	196.91	194.32
Work-in-progress	**534.41**	446.42	444.98
Finished goods	**239.53**	249.95	237.59
Stock in trade	**0.17**	0.02	0.65
Stores and spares (including in transit - ₹ 20.03 crore; 31st December, 2016 - ₹ 14.56 crore; 1st January, 2016 - ₹ 10.59 crore)	**607.92**	509.85	461.33
Coal and fuel (including in transit - ₹ 57.15 crore; 31st December, 2016 - ₹ 59.24 crore; 1st January, 2016 - 7.04 crore)	**820.82**	726.69	714.95
Packing materials (including in transit - ₹ 0.82 crore; 31st December, 2016 - ₹ 0.09 crore; 1st January, 2016 - ₹ 0.26 crore)	**44.24**	33.67	32.12
Total	**2,458.27**	2,163.51	2,085.94

The Group provided for write down / (write back) of the value of Inventories in the statement of profit and loss amounting to ₹ (16.55) crore (previous year - ₹ 17.01 crore).

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 12 - Current investments			
Investments carried at amortised cost			
Unquoted			
Public sector bounds			
5.13% Himachal Pradesh Infrastructure Development bonds (1st January, 2016 - 37 numbers)	-	-	3.70
Total	-	-	3.70
Note 13 - Trade receivables			
Secured, considered good	**151.29**	329.73	98.01
Unsecured, considered good	**780.24**	594.34	620.62
Unsecured, considered doubtful	**35.16**	42.50	43.46
	966.69	966.57	762.09
Less : allowance for doubtful trade receivables	**35.16**	42.50	43.46
Total	**931.53**	924.07	718.63

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.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 14 - Cash and cash equivalents			
Balances with banks			
In current accounts	**429.77**	271.40	220.10
Deposit with original maturity upto 3 months	**1,976.23**	1,072.98	2,690.68
Cheques on hand	**35.25**	-	-
Cash on hand	**0.05**	0.09	0.34
Deposit given to Housing Development Finance Corporation Limited	**200.00**	200.00	200.00
Investments in liquid mutual funds	**2,467.38**	1,827.31	2,277.05
Investments in certificates of deposit	**764.83**	838.27	1,132.45
Total	**5,873.51**	4,210.05	6,520.62

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 15 - Bank balances other than cash and cash equivalents			
Earmarked balances with banks#	**57.32**	57.08	57.69
Margin money deposit *	**15.69**	19.94	-
Fixed deposits with banks (original maturity more than 3 months and upto 12 months) *	**285.06**	276.94	36.13
Total	**358.07**	353.96	93.82
# These balances represent unpaid dividend liabilities of the Group and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ARCL, not available for use by the Group.			
* These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 240.37 crore (31st December, 2016 - ₹ 231.15 crore, 1st January, 2016 - NIL) and other deposits given as security against bank guarantees.			
Note 16 - Current loans			
Unsecured, considered good			
Security deposits	**35.57**	23.18	20.69
Others	**9.70**	10.34	12.14
Total	**45.27**	33.52	32.83
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.			
Note 17 - Other current financial assets			
Interest accrued on investments	**10.32**	4.83	7.64
Interest accrued on fixed deposit	**19.29**	13.55	21.13
Others	**34.36**	30.82	26.14
Total	**63.97**	49.20	54.91
Note 18 - Other current assets			
Unsecured, considered good			
Advances other than capital advances			
Advances	**630.59**	242.27	145.50
Balance with government authorities	**529.42**	223.10	205.46
Prepaid expenses	**36.00**	34.38	47.21
Prepayments under operating leases	**5.03**	5.06	5.06
Others	**44.62**	27.64	11.24
Incentives receivable under government incentive schemes and other receivables	**86.94**	8.48	29.63
	1,332.60	540.93	444.10
Unsecured, considered doubtful			
Others	**17.72**	14.29	-
Less : allowance for doubtful receivables	**17.72**	14.29	-
	-	-	-
Total	**1,332.60**	540.93	444.10
No 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 loans are due by firms or private companies in which any director is a partner, a director or a member.			

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 19 - Equity share capital			
Authorised			
40,000,000,000 (31st December, 2016 - 40,000,000,000; 1st January, 2016 - 2,500,000,000) Equity shares of ₹ 2 each*	**8,000.00**	8,000.00	500.00
150,000,000 (31st December, 2016 - 150,000,000; 1st January, 2016 - 150,000,000) Preference Shares of ₹ 10 each	**150.00**	150.00	150.00
Total	**8,150.00**	8,150.00	650.00
Issued			
1,985,971,749 (31st December, 2016 - 1,985,971,749; 1st January, 2016 - 1,552,223,941) Equity Shares of ₹ 2 each fully paid up	**397.19**	397.19	310.44
Total	**397.19**	397.19	310.44
Subscribed and paid-up			
1,985,645,229 (31st December, 2016 - 1,985,645,229; 1st January, 2016 - 1,551,897,421) Equity shares of ₹ 2 each fully paid	**397.13**	397.13	310.38
Total	**397.13**	397.13	310.38

*Consequent to and as part of the amalgamation of Holcim (India) Private Limited (HIPL) with the Company during the previous year ended 31st December, 2016, the authorised equity share capital of the Company stands increased to ₹ 8,000 crore made up of 40,000,000,000 equity shares of ₹ 2 each from "effective date" 12th August, 2016. (Refer Note 56)

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2017 No. of shares	As at 31.12.2017 ₹ in crore	As at 31.12.2016 No. of shares	As at 31.12.2016 ₹ in crore
Reconciliation of equity shares outstanding				
At the beginning of the year	**1,985,645,229**	**397.13**	1,551,897,421	310.38
Less : Shares of the Company held by HIPL, cancelled pursuant to the Scheme of amalgamation (Refer note 56)	**-**	**-**	150,670,120	30.13
Add : Shares issued pursuant to the scheme of amalgamation (Refer note 56)	**-**	**-**	584,417,928	116.88
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 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
i) Holderind Investments Limited, Mauritius (Refer note 56)			
1,253,156,361 (31st December, 2016 - 1,253,156,361; 1st January, 2016 - 629,638,433) Equity shares of ₹ 2 each fully paid-up	**250.63**	250.63	125.93
ii) Holcim (India) Private Limited, amalgamated with the Company (Refer note 56) **Nil** (31st December, 2016 - Nil; 1st January, 2016 - 150,670,120) Equity shares of ₹ 2 each fully paid-up	**-**	-	30.13

Note 19 - Equity share capital

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

Particulars	As at 31.12.2017		As at 31.12.2016		As at 01.01.2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
i) Holderind Investments Limited, Mauritius (Refer note 56)	**1,253,156,361**	**63.11%**	1,253,156,361	63.11%	629,638,433	40.57%
ii) Holcim (India) Private Limited, amalgamated with the Company (Refer note 56)	**-**	**-**	-	-	150,670,120	9.71%
iii) Life Insurance Corporation of India	**130,942,329**	**6.59%**	131,404,954	6.62%	124,434,343	8.02%

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

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into **186,690** (31st December, 2016 - 186,690; 1st January, 2016 - 186,690) and **139,830** (31st December, 2016 - 139,830; 1st January, 2016 - 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 during the previous year ended 31st December, 2016, 584,417,928 equity shares were allotted as fully paid up to the Equity Shareholders of HIPL, without payment being received in cash (Refer Note 56).

g) There are no securities which are convertible into equity shares.

Particulars	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 19A - Share suspense account			
Share suspense pursuant to the scheme of amalgamation (Refer note 56)	**-**	-	86.75
Total	**-**	-	86.75
Note 20 - Other equity			
General reserve	**5,814.49**	5,814.49	6,649.47
Capital reserve	**134.71**	134.71	134.71
Capital redemption reserve	**9.93**	9.93	9.93
Subsidy	**5.02**	5.02	5.02
Securities premium account	**12,471.16**	12,471.16	12,478.31
Retained earnings	**1,839.76**	988.48	(261.67)
Total	**20,275.07**	19,423.79	19,015.77
Note 21 - Non-current borrowings			
Secured			
Interest free loan from State Government (Refer note 1 and 3)	**24.12**	15.73	6.73
Unsecured			
Sales tax deferment loan (Refer note 2)	**-**	13.23	23.29
Less : Amount disclosed under the head "Other current financial liabilities"	**-**	(13.23)	(10.06)
Total	**24.12**	15.73	19.96

Notes

1. Interest free loans from State Government, secured by bank guarantees backed by pledge of bank fixed deposit and each loan repayable in single instalment, starting from February 2020 to July 2024 of varying amounts from ₹ 3.59 crore to ₹ 10.50 crore.
2. Sales tax deferment loan is interest free and payable in 10 annual instalments starting from April 2007 to April 2017 of varying amounts from ₹ 1.52 crore to ₹ 13.23 crore.
3. 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 recognized as an income. Accordingly, an amount of ₹ 4.01 crore (31st December, 2016: ₹ 5.90 crore) has been recognised as an income.

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Note 22 - Other non-current financial liabilities			
Liability for capital expenditure	**1.75**	2.24	2.81
Total	**1.75**	2.24	2.81
Note 23 - Non-current provisions			
For employee benefits			
Provision for gratuity and other staff benefit schemes	**123.38**	130.00	110.82
Long service award and other benefit plans	**5.41**	6.77	6.39
Others			
Provision for mines reclamation expenses*	**51.47**	48.79	44.09
Total	**180.26**	185.56	161.30
*Movement during the year			
Opening balance	**48.79**	44.09	
Add : Provision during the year	**2.54**	3.56	
	51.33	47.65	
Add: Unwinding of discount	**2.68**	2.35	
Less : Utilisation during the year	**2.54**	1.21	
Closing balance	**51.47**	48.79	
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)			
Deferred tax liabilities, on account of			
Depreciation and amortisation	**1,528.74**	1,491.01	1,385.62
Undistributed profits of subsidiaries, joint venture and associates	**142.35**	73.58	73.06
Total	**1,671.09**	1,564.59	1,458.68
Deferred tax assets, on account of			
Employee benefits	**77.60**	82.58	61.45
Provision for slow and non-moving spares	**20.70**	24.24	22.73
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**177.98**	162.53	130.57
MAT credit entitlement	**118.61**	117.70	-
Others	**136.96**	162.26	115.08
Total	**531.85**	549.31	329.83
Deferred tax liabilities (net)	**1,139.24**	1,015.28	1,128.85

The major components of deferred tax liabilities/assets on account of timing differences are as follows: ₹ in crore

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 ventures and associates	**73.58**	**68.77**	**-**	**-**	**142.35**
Total	**1,564.59**	**106.50**	**-**	**-**	**1,671.09**
Deferred tax assets, on account of					
Employee benefits	**82.58**	**(1.60)**	**(3.38)**	**-**	**77.60**
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	**162.26**	**(25.30)**	**-**		**136.96**
Total	**549.31**	**48.56**	**(3.38)**	**(62.64)**	**531.85**
Deferred tax liabilities (net)	**1,015.28**	**57.94**	**3.38**	**62.64**	**1,139.24**

Note 24 - Deferred tax liabilities (net)

Particulars	As at 1st January, 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	As at 31st December, 2016
Deferred tax liabilities, on account of					
Depreciation and amortisation	1,385.62	105.39	-	-	1491.01
Undistributed profits of subsidiaries, joint venture and associates	73.06	0.52	-	-	73.58
Total	1,458.68	105.91	-	-	1,564.59
Deferred tax assets, on account of					
Employee benefits	61.45	12.19	8.94	-	82.58
Provision for slow and non moving spares	22.73	1.51	-	-	24.24
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	130.57	31.96	-	-	162.53
MAT credit entitlement	-	117.70	-	-	117.70
Others	115.08	47.18	-	-	162.26
Total	329.83	210.54	8.94	-	549.31
Deferred tax liabilities (net)	1,128.85	(104.63)	(8.94)	-	1,015.28

The Group has losses of ₹ 38.98 crore (31st December, 2016 - ₹ 37.98 crore; 1st January, 2016 - ₹ 38.17 crore) for which no deferred tax assets have been recognised. A part of these losses will expire between financial year 2018-19 to 2024-25. Further, the Company has not recognised deferred tax liability on undistributed earnings in subsidiaries to the extent of ₹ 7,543.07 crore (31st December, 2016 - ₹ 7,396.18 crore; 1st January, 2016 - ₹ 7,137.79 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.

Note 25 - Other non-current liabilities

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Rebate to customers	**7.19**	5.71	3.18
Total	**7.19**	5.71	3.18

Note 26 - Other current financial liabilities

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Security deposit and retention money	**892.96**	878.61	998.30
Liability for capital expenditure	**136.35**	161.11	187.98
Current maturities of non-current borrowing	**-**	13.23	10.06
Unmatured deposits	**-**	0.02	0.02
Unclaimed dividends**	**54.81**	54.53	55.14
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACEL and ACRL**	**2.51**	2.54	2.55
Payable to Holderind Investments Ltd, Mauritius (Refer note 56)	**-**	-	3,500.27
Others	**149.15**	270.50	146.59
Total	**1,235.78**	**1,380.54**	**4,900.91**

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

Note 27 - Other current liabilities

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Advance received from customers	**288.90**	284.70	189.48
Statutory dues	**1,022.84**	620.12	630.21
Others (including interest and rebates to customers etc.)	**1,918.58**	1,608.56	1,549.87
Total	**3,230.32**	2,513.38	2,369.56

Note 28 - Current provisions

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Provision for gratuity and staff benefit schemes	**29.94**	23.46	10.31
Long service award and other benefit plans	**0.83**	0.88	0.78
Provision for compensated absences	**108.26**	116.08	121.08
Total	**139.03**	140.42	132.17

Particulars	2017 ₹ in crore	2016 ₹ in crore
Note 29 - Revenue from operations		
Sale of products		
Finished goods (including excise duty of ₹ 1,707.05 crore; previous year ₹ 2,800.29 crore)	**24,761.29**	22,657.34
Traded goods	**-**	5.06
Sale of services	**9.03**	13.13
Other operating revenues		
Sale of power	**0.08**	13.33
Provisions no longer required written back	**13.84**	30.82
Sale of scrap	**59.82**	49.61
Insurance claims	**17.37**	14.69
Incentives and subsidies	**237.55**	75.99
Exchange gain / loss (net)	**4.46**	1.16
Miscellaneous income	**178.86**	71.09
Total	**25,282.30**	22,932.22
Note 30 - Other income		
Interest on		
Bank deposits	**164.44**	225.14
Long-term investments	**1.52**	1.52
Income tax refund	**18.95**	0.08
Others	**15.37**	11.84
	200.28	238.58
Dividend income From joint venture company	**1.12**	0.62
Other non-operating income		
Net gain on liquid mutual fund measured through FVTPL	**105.83**	161.59
Net gain on non-current investment measured through FVTPL	**10.32**	11.31
Others (Refer note 67 (a))	**5.06**	55.75
Total	**322.61**	467.85
Note 31 - Cost of materials consumed		
Opening stock	**196.91**	194.32
Add : Purchases	**2,867.16**	2,344.35
	3,064.07	2,538.67
Less : closing stock	**211.18**	196.91
Total	**2,852.89**	2,341.76
Break-up of materials consumed		
Fly ash	**800.55**	689.70
Gypsum	**544.16**	472.40
Others*	**1,508.18**	1,179.66
Total	**2,852.89**	2,341.76

*includes no item which in value individually accounts for 10 percent or more of the total value of raw materials consumed.

Particulars	2017 ₹ in crore	2016 ₹ in crore
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	**534.41**	446.42
Finished goods	**239.53**	249.95
Stock-in-trade	**0.17**	0.02
	774.11	696.39
Inventories at the beginning of the year		
Work-in-progress	**446.42**	444.98
Finished goods	**249.95**	237.59
Stock-in-trade	**0.02**	0.65
	696.39	683.22
(Increase) / Decrease	**(77.72)**	(13.17)
Note 33 - Employee benefit expense		
Salaries and wages	**1,300.03**	1,186.28
Contribution to provident and other funds	**110.57**	92.23
Staff welfare expenses	**100.64**	91.56
Total	**1,511.24**	1,370.07
Note 34 - Finance cost		
Interest		
On Income Tax (net of interest income on refund - ₹ 23.20 crore; previous year ₹ 51.80 crore)	**103.10**	51.41
Others	**93.20**	92.15
Defined benefit obligation	**9.48**	9.43
Total	**205.78**	152.99
Note 35 - Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**1,214.59**	1,220.91
Amortisation of intangible assets (Refer note 56(f))	**4.86**	240.02
Total	**1,219.45**	1,460.93
Note 36 - Freight and forwarding expense		
On internal material transfer	**1,140.53**	1,035.89
On finished products	**5,167.00**	4,075.95
Total	**6,307.53**	5,111.84
Note 37 - Other Expenses		
Royalty on minerals	**433.52**	451.15
Consumption of stores and spare parts	**620.60**	648.88
Consumption of packing materials	**801.22**	672.23
Repairs to building	**5.07**	20.54
Repairs to machinery	**161.72**	274.96
Repairs to other items	**191.02**	44.83
Rent (Refer note 45)	**183.27**	172.57
Rates and taxes	**232.88**	250.25
Insurance	**42.07**	46.48
Technology and know-how fees(net of recovery)	**231.23**	198.88
Advertisement	**162.98**	157.03
Donation	**56.46**	60.30
Miscellaneous expenses*	**1,078.33**	1,114.88
Total	**4,200.37**	4,112.98

* Does not include any item of expenditure with a value of more than 1% of turnover.

Note 38 - Earnings per share (EPS)

Particulars	2017 ₹ in crore	2016 ₹ in crore
(i) Profit attributable to owners of the company for basic and diluted EPS	**1516.36**	1105.08
(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	**317,329**	288,377
Weighted average number of shares for diluted EPS	**1,985,962,558**	1,985,933,606
(iii) Nominal value of equity share (in ₹)	**2.00**	2.00
(iv) Earnings per equity share (in ₹)		
Basic	**7.64**	5.57
Diluted	**7.64**	5.56

Note 39 - Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹in crore	As at 01.01.2016 ₹ in crore
A) Contingent liabilities and claims against the group not acknowledged as debts related to *			
(I) Labour	**34.50**	26.83	23.47
(II) Land	**25.57**	21.20	21.04
(III) Royalty on Limestone (i)	**8.01**	8.01	143.12
(IV) Sales tax (ii)	**303.92**	291.78	294.47
(V) Excise and Customs	**93.68**	97.24	98.96
(VI) Demand from Competition Commission of India (iii)	**2,735.47**	2,464.89	-
(VII) Collector of Stamps (iv)	**287.88**	287.88	287.88
(VIII) Others	**279.86**	308.61	319.95
Total	**3,768.89**	3,506.44	1,188.89

* In respect of items above, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

(i) Royalty on limestone represents additional royalty, consequent to the order passed by Madhya Pradesh State Mining Department, based on the ratio of 1.6 tonnes of limestone to 1.0 tonne of cement produced at its factory in Chhattisgarh, in case of the Company and its factory in Chhattisgarh and Tamilnadu in case of its subsidiary ACC Limited. Subsequent to the year 2016, the Hon'ble High Court of Chhattisgarh, Bilaspur has ruled the matter in favour of the Company and ACC Limited respectively. Further, ACC Limited believes that similar relief can also be expected from the judiciary and / or authorities in case of its Tamilnadu unit and hence it does not expect any liability in above matter.

(ii) 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 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 the Supreme Court's decision goes against the matter referred above. Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December, 2016 - ₹ 247.97 crore, including interest of ₹ 134.45 crore; 1st January, 2016 ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company has deposited ₹ 143.52 crore, including interest of ₹ 30.00 crore (31st December, 2016 - ₹ 143.52 crore including interest of ₹ 30.00 crore; 1st January, 2016 - ₹ 143.52 crore including interest of ₹ 30.00 crore), towards sales tax under protest and filed a Special Leave Petition in the 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.

(iii) a) In 2012, the Competition Commission of India (CCI) issued an order imposing penalty on certain cement manufacturers, including the Company and ACC Limited concerning alleged contravention of the provisions of the Competition Act, 2002 and imposed penalty of ₹ 1,163.91 crore on the Company and

Note 39 - Contingent liabilities and commitments (to the extent not provided for)

₹ 1,147.59 crore on ACC Limited, aggregating to ₹ 2,311.50 crore. On appeal by the Company and ACC Limited, the Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August, 2016, imposed penalty of ₹ 1,163.91 crore on the Company and ₹ 1,147.59 crore on ACC Limited, aggregating to ₹ 2,311.50 crore(31st December, 2016 - ₹ 2,311.50 crore; 1st January, 2016 - ₹ Nil). The Company and ACC Limited have filed appeals against the said Order before the COMPAT. The COMPAT, vide its 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. Pending final disposal of the appeal, the matter has been disclosed as contingent liability along with interest of ₹ 358.81 crore (31st December, 2016 - ₹ 88.23 crore; 1st January, 2016 - ₹ Nil). Further, pursuant to the notification issued by Central Government on 26 May, 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT). The matter has been heard by NCLAT and Order is reserved.

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 on the Company and ₹ 35.32 crore on ACC Limited, aggregating to ₹ 65.16 crore. On appeal by Company and ACC Limited, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company and ACC Limited believe they have good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the same is disclosed as contingent liability.

(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, 2016 - ₹ 287.88 crore, 1st January, 2016 - ₹ 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 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)..	**386.92**	436.22	620.57

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, 2016 - ₹ 149.31 crore; 1st January, 2016 - ₹ 66.94 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 (company), had availed Sales Tax Incentives in respect of it's new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The company had accrued Sales Tax Incentives aggregating ₹ 56.00 crore. The Sales Tax Authorities had introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department had recovered ₹ 64.00 crore (tax of ₹ 56.00 crore and interest of ₹ 8.00 crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The company 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. The company has been advised by legal experts that there is no change in the merits of the company's case. Based on such advice, the company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

Note 40 - Material Demands and disputes relating to assets and liabilities considered as "remote" by the Group

c) ACC Limited, a subsidiary of the Company (company), 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, the company 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 Lump Sum capital Subsidy Claim of ₹ 15 crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the company. The company 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, the company and the State of Government, against a single bench order only partially allowing the company's claim, in its order dated 24th February, 2015, allowed the company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the company is correct and hence payable immediately.

The Government of Jharkhand had filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, the company received only ₹ 64 crore out of total ₹ 235 crore in part disbursement from the Government of Jharkhand. The company is pursuing the matter of disbursement of further amounts outstanding. The company 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 Company 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 Company Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80IA of the Income Tax Act, 1961. The Income tax department has disputed the company's claim of deduction under Section 80IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 crore (net of provision) (31st December, 2016 - ₹ 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, 2016 - ₹ 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 (company), 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 the company on extraction or procurement of various raw materials (Minerals). The Department of Industries has disputed the company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the company, that only the higher of the amount of (i) VAT Refund and (ii) Royalty refund claim amounts, each year, shall be considered. The company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The company has accrued an amount of ₹ 133 crore (31st December, 2016 - ₹ 133 crore; 1st January, 2016 - ₹ 106 crore) on this account. The company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the Court for hearing on merit. The company believes that the merits of the claim are strong.

(f) Consequent upon the Supreme Court's judgement in Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period, ACC Limited, a subsidiary of the Company (company), had received demand from District Mining Officer for ₹ 881.00 crore being penalty for alleged illegal mining activities carried out by the company during January 1991 to September 2014. The aforesaid demands were challenged by the company and Writ Petition with High Court of Jharkhand . The petition has been admitted subject to a token deposit of ₹ 48.00 crore which shall be refundable in case the matter is decided in the favour of the company.

In view of the company and based on legal advice, that this demand does not have merit, and shall not stand the test of judicial scrutiny, considering that the said mining, leases pending State Government's approval, have been automatically extended upto March 31, 2030 by Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 without any recourse being made available to the State Government.

Note 41 - Reconciliation of tax expenses and effective tax rate

Particulars	2017		2016	
	₹ in crore	In %	₹ in crore	In %
Profit before share of profit of associates and joint ventures and tax expenses	**2,754.96**		1,996.53	
Applicable tax rate (*)	**953.49**	**34.61%**	691.00	34.61%
Effect of Tax Exempt Income	**(2.42)**	**(0.09%)**	(2.80)	(0.14%)
Effect of Non-Deductible expenses	**59.45**	**2.16%**	138.36	6.93%
Effect of Allowances for tax purpose	**(229.07)**	**(8.31%)**	(263.97)	(13.22%)
Effect of Previous year adjustments	**(24.11)**	**(0.88%)**	-	-
Effect of undistributed profits of subsidiary	**67.53**	**2.45%**	9.18	0.46%
Others	**(2.02)**	**(0.07%)**	2.00	0.10%
Effective tax	**822.85**	**29.87%**	573.77	28.74%

* The applicable tax rate is the statutory income tax rate as applicable to the Company

Note 42 - 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, i.e. cement and cement related products.

A) Information about revenue from external customers and non-current assets in various geographical areas

Particulars	Revenues from customers		Non-current assets		
	2017 ₹ in crore	2016 ₹ in crore	**As at 31.12.2017** ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
The Group operates in following geographical areas					
i) India	**24,695.02**	22,565.04	**23,937.21**	24,055.18	24,632.71
ii) Others	**66.27**	97.36	**3.93**	3.95	3.75
Total	**24,761.29**	22,662.40	**23,941.14**	24,059.13	24,636.46

B) Information about major customers

No single customer contributed 10% or more to the group's consolidated revenue during the year ended 31st December, 2017 and 31st December, 2016.

Note 43 - Consolidated financial statements comprise the financial statements of the members of the group as under

Name of the Company	Principal activities	Country of Incorporation	Proportion of ownership interest (effective holding)		
			As at 31.12.2017	As at 31.12.2016	As at 01.01.2016
I) Direct Subsidiaries					
1 Kakinada Cements Limited (Liquidated during year 2016)	Cement and cement related products	India	**NA**	NA	100.00%
2 M.G.T Cements Private Limited	Cement and cement related products	India	**100.00%**	100.00%	100.00%
3 Chemical Limes Mundwa Private Limited	Cement and cement related products	India	**100.00%**	100.00%	100.00%
4 Dang Cement Industries Private Limited	Cement and cement related products	Nepal	**91.63%**	91.63%	91.63%
5 Dirk India Private Limited	Cement and cement related products	India	**100.00%**	100.00%	100.00%
6 OneIndia BSC Private Limited	Shared Services	India	**75.02%**	75.02%	75.02%
7 ACC Limited	Cement and cement related products	India	**50.05%**	50.05%	50.01%

Notes to Consolidated Financial Statements

Note 43 - Consolidated financial statements comprise the financial statements of the members of the group as under

Name of the Company	Principal activities	Country of Incorporation	Proportion of ownership interest (effective holding)		
			As at 31.12.2017	As at 31.12.2016	As at 01.01.2016
II) Indirect Subsidiaries					
1 Bulk Cement Corporation (India) Limited (BCCI)	Cement and cement related products	India	**47.37%**	47.37%	47.33%
2 ACC Mineral Resources Limited	Cement and cement related products	India	**50.05%**	50.05%	50.01%
3 Lucky Minmat Limited	Cement and cement related products	India	**50.05%**	50.05%	50.01%
4 National Limestone Company Private Limited	Cement and cement related products	India	**50.05%**	50.05%	50.01%
5 Singhania Minerals Private Limited	Cement and cement related products	India	**50.05%**	50.05%	50.01%
III) Associates of subsidiaries					
1 Alcon Cement Company Private Limited	Cement and cement related products	India	**20.02%**	20.02%	20.00%
2 Asian Concretes and Cements Private Limited	Cement and cement related products	India	**22.52%**	22.52%	22.50%
IV) Joint Venture					
Counto Microfine Products Private Limited	Cement and cement related products	India	**50.00%**	50.00%	50.00%
V) Joint venture of subsidiary					
Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	**20.02%**	20.02%	20.00%
VI) Joint Operation					
Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	**27.27%**	27.27%	27.27%
VII) Joint Operations of subsidiary					
1 MP AMRL (Semaria) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%	24.50%
2 MP AMRL (Bicharpur) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%	24.50%
3 MP AMRL (Marki Barka) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%	24.50%
4 MP AMRL (Morga) Coal Company Limited	Cement and cement related products	India	**24.52%**	24.52%	24.50%

Note 44 - 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 ₹ 47.35 crore (previous year - ₹ 43.41 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 risk such as interest rate risk, demographic risk, salary inflation risk and longevity risk.

i) **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.

Note 44 - Employee benefits

ii) **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.

iii) **Salary Inflation risk :** All other aspects remaining same, higher than expected increases in salary will increase the defined benefit obligation.

iv) **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 plan include death and disability benefit, non-funded gratuity and post employment healthcare benefits to 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	2017		2016		As at 01.01.2016	
	Funded	Other non funded	Funded	Other non funded	Funded	Other non funded
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
I Expense recognised in the statement of profit and loss						
1 Current service cost	**24.35**	**9.10**	20.99	8.10		
2 Interest cost	**22.29**	**8.11**	22.50	8.95		
3 Employee Contribution	**-**	**(0.33)**	-	(0.32)		
4 Interest (income) on plan assets	**(20.91)**	**-**	(21.03)	-		
Total	**25.73**	**16.88**	22.46	16.73		
II Net asset / (liability) recognised in the balance sheet						
1 Present value of defined benefit obligation	**339.88**	**132.37**	343.55	124.63	307.16	118.66
2 Fair value of plan assets	**319.46**	**-**	315.38	-	304.63	-
3 Funded status [surplus/(deficit)]	**(20.42)**	**(132.37)**	(28.17)	(124.63)	(2.53)	(118.66)
4 Net asset/(liability)	**(20.42)**	**(132.37)**	(28.17)	(124.63)	(2.53)	(118.66)
III Change in defined benefit obligation during the year						
1 Present value of defined benefit obligation at the beginning of the year	**343.55**	**124.63**	307.16	118.66		
2 Current service cost	**24.35**	**9.10**	20.99	8.10		
3 Interest service cost	**22.29**	**8.11**	22.50	8.95		
4 Employee Contributions	**-**	**(0.33)**	-	(0.32)		
5 Actuarial (gains)/losses recognised in Other Comprehensive Income						
-- Change in assumptions	**(13.02)**	**(7.53)**	22.76	7.90		
-- Experience changes	**(0.22)**	**9.44**	8.98	(7.22)		
6 Benefit payments	**(37.08)**	**(12.08)**	(38.84)	(11.44)		
7 Net transfer in on account of business combinations	**0.01**	**1.03**	-	-		
8 Present value of defined benefit obligation at the end of the year	**339.88**	**132.37**	343.55	124.63		
IV Change in fair value of assets during the year						
1 Plan assets at the beginning of the year	**315.38**	**-**	304.63	-		
2 Interest income	**20.91**	**-**	21.03	-		
3 Contribution by employer	**22.69**	**-**	21.87	-		
4 Actual benefit paid	**(37.08)**	**-**	(38.84)	-		
5 Return on plan assets (excluding interest income)	**(2.44)**	**-**	6.69	-		
6 Plan assets at the end of the year	**319.46**	**-**	315.38	-		

Note 44 - Employee benefits

	Particulars	2017		2016		As at 01.01.2016	
		Funded	Other non funded	Funded	Other non funded	Funded	Other non funded
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
V	**Re-measurements recognised in other Comprenensive Income (OCI)**						
	1 Change in assumptions	**(13.02)**	**(7.53)**	22.76	7.90		
	2 Experience changes	**(0.22)**	**9.44**	8.98	(7.22)		
	3 Return on plan assets (excluding interest income)	**2.44**	**-**	(6.69)	-		
	4 Amount recognised in other comprehensive income (OCI).	**(10.80)**	**1.91**	25.05	0.68		
VI	**Maturity profile of defined benefit obligation**						
	1 Within the next 12 months	**34.46**	**12.95**	31.43	9.25		
	2 Between 1 and 5 years	**175.35**	**51.99**	155.25	48.40		
	3 Between 5 and 10 years	**196.10**	**64.61**	227.99	58.51		
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	**319.47**	**121.69**	320.15	114.62		
	2 For decrease in discount rate by 100 basis points	**362.94**	**144.96**	370.23	136.74		
	3 For increase in salary rate by 100 basis points..	**361.88**	**120.38**	369.62	115.22		
	4 For decrease in salary rate by 100 basis points.	**319.68**	**105.49**	320.27	100.88		
	5 For increase in medical inflation rate by 100 basis points	**NA**	**20.33**	NA	18.68		
	6 For decrease in medical inflation rate by 100 basis points	**NA**	**18.86**	NA	14.83		

* 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.

	Particulars	2017 Funded	2017 Other non funded	2016 Funded	2016 Other non funded	01.01.2016 Funded	01.01.2016 Other non funded
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	100%	NA
IX	**Weighted Average Duration of Defined benefit obligation**	**7 - 9 yrs**	**4 - 8.8 yrs**	7 - 9 yrs	5 - 9.3 yrs		
X	**Actuarial Assumptions**						
	1 Discount rate	**7.30% p.a - 7.35% p.a.**		6.60 % p.a - 7.05% p.a.		7.80 % p.a - 7.90% p.a.	
	2 Expected rate of return on plan assets	**7.30% p.a - 8.00% p.a.**	**NA**	6.60% p.a - 8.50% p.a.	NA	7.80% p.a - 8.50% p.a.	NA
	3 Mortality	**Indian Assured Lives Mortality (IALM) (2006-08) Ult.**		Indian Assured Lives Mortality (IALM) (2006-08) Ult.		Indian Assured Lives Mortality (IALM) (2006-08) Ult.	
	4 Turnover rate	**Upto Age 44 yrs: 5% and above 45 yrs: 1%**		Upto Age 44 yrs: 2% and above 45 yrs: 1%		Upto Age 44 yrs: 2% and above 45 yrs: 1%	
	5 Medical premium inflation	**NA**	**8% p.a. - 12% p.a. for the first four years and thereafter 8% p.a.**	NA	12% p.a. for the first four years and thereafter 8% p.a. -12% p.a.	NA	12% p.a. for the first four years and thereafter 8% p.a. - 12% p.a.
	6 Retirement Age:	**58 - 60 Yrs**	**58 - 60 Yrs**	58 - 60 Yrs	58 - 60 Yrs	58 - 60 Yrs	58 - 60 Yrs
	7 Salary escalation	**7% p.a.**		7% p.a.		7% p.a.	

\# In the absence of detailed information regarding plan assets which is funded with LIC and HDFC Life Insurance, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Note 44 - Employee benefits

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.

e) Amount recognised as expense in respect of compensated absences is ₹ 15.24 crore (previous year ₹ 39.61 crore).

f) The group expects to make contribution of ₹ 28.10 crore (31st December, 2016 - ₹ 31.00 crore; 1st January, 2016 - ₹ 20.00 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 ₹ 30.09 crore (previous year ₹ 30.72 crore) towards provident fund liability. Deficit of ₹ Nil (previous year ₹ 0.73 crore) in the accumulated corpus fund is recognised in the statement of profit and loss. Further, considering net surplus in the accumulated corpus fund, liability of ₹ 0.20 crore provided in the previous year, has been written back.

Particulars	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Details of the fund and asset position			
Plan assets at the year end, at fair value	**845.96**	754.80	680.88
Present value of benefit obligation at year end	**843.15**	747.05	659.69
Net liability / (asset) *	**(2.81)**	(7.75)	(21.19)
Assumption used in determining the present value obligation of the interest rate guarantee under the deterministic approach are :			
Discount rate	**7.30%-7.35%**	6.60%-7.05%	7.80%-7.90%
Interest rate guarantee	**8.65%**	8.65%	8.65% -8.75%
Expected rate of return of assets	**8.60%-9.02%**	8.98%-9.00%	8.73% -9.31%

* Only liability is recognised in the books

Note 45 - Leases

A) Operating Leases - Group as a lessee

i) The Group has entered into various long term lease agreements in respect of 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, 2017 aggregating ₹ 44.68 crore (31st December, 2016 - ₹ 49.83 crore, 1st January, 2016 - ₹ 55.01 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 amounts to ₹ 183.27 crore (previous year - ₹ 172.57 crore).

iv) General description of the leasing arrangement:

Future lease rentals are determined on the basis of agreed terms. There is no escalation clause in the lease agreement. 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 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Not later than one year	**36.80**	37.04	24.75
Later than one year and not later than five years	**37.90**	79.42	94.09
Later than five years	**-**	-	1.16

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 existing at the date of transition to Ind AS 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) Related parties

A) Related parties where control exists

Sr.	Name of the related parties	Nature of Relationship
(i)	LafargeHolcim Limited (Formerly known as Holcim Ltd.), Switzerland	Ultimate Holding Company
(ii)	Holderfin B.V., Netherlands	Intermediate Holding Company
(iii)	Holderind Investments Limited, Mauritius	Holding Company

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

Sr.	Names of other related parties	Nature of Relationship
(a)	Holcim (India) Private Limited	Amalgamated with the Company with effect from 12th August, 2016 (Refer note 55)
(b)	Holcim (Lanka) Limited, Sri Lanka	Fellow Subsidiary (Upto 10th August, 2016)
(c)	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
(d)	Holcim Technology Limited, Switzerland	Fellow Subsidiary
(e)	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
(f)	Holcim Services (South Asia) Limited	Fellow Subsidiary
(g)	Holcim Trading FZCO, UAE	Fellow Subsidiary
(h)	LH Trading Pte Limited, Singapore (Formerly known as Holcim Trading Pte Limited)	Fellow Subsidiary
(i)	PT Holcim Indonesia Tbk., Indonesia	Fellow Subsidiary
(j)	Holcim Cement (Bangladesh) Limited, Bangladesh	Fellow Subsidiary
(k)	Holcim (Romania) S.A., Romania	Fellow Subsidiary
(l)	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary (with effect from 01st July, 2015)
(m)	Holcim Technology (Singapore) Pte Limited, Singapore	Fellow Subsidiary
(n)	Thalamar Shipping AG, Switzerland	Fellow Subsidiary
(o)	Lafarge India Private Limited	Fellow Subsidiary (with effect from 10th July, 2015 and upto 04th October, 2016)
(p)	Holcim (Liban) S.A.L., Lebanon	Fellow subsidiary
(q)	Geocycle (Deutschland) Gmbh., Deutschland	Fellow Subsidiary
(r)	Siam City Cement (Lanka) Ltd., Sri Lanka	Fellow Subsidiary
(s)	Cementos Apasco SA de CV (LHMEX)	Fellow Subsidiary
(t)	Counto Microfine Products Private Limited	Joint Venture
(u)	Aakaash Manufacturing Company Private Limited	Joint Venture of Subsidiary

Notes to Consolidated Financial Statements

Note 46 - Related party disclosure

Sr.	Names of other related parties	Nature of Relationship
(v)	Alcon Cement Company Private Limited	Associate of Subsidiary
(w)	Asian Concretes and Cements Private Limited	Associate of Subsidiary
(x)	Ambuja Cements Limited Staff Provident Fund Trust	Post-employment benefit plan
(y)	Ambuja Cements Limited Employees Grautity Fund Trust	Post-employment benefit plan
(z)	The Provident Fund of ACC Ltd	Post-employment benefit plan
(aa)	ACC Limited Employees Group Gratuity Scheme	Post-employment benefit plan

C) 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 (with effect from 11th February, 2016)
(e)	Mr. Christof Hassig	Non-Executive Director
(f)	Ms. Usha Sangwan	Non-Executive Director
(g)	Mr. B.L.Taparia	Non-Executive Director
(h)	Mr. Bernard Terver	Non-Executive Director (upto 10th February, 2016)
(i)	Mr. Nasser Munjee	Independent Director
(j)	Mr. Rajendra P. Chitale	Independent Director
(k)	Mr. Shailesh Haribhakti	Independent Director
(l)	Dr. Omkar Goswami	Independent Director
(m)	Mr. Haigreve Khaitan	Independent Director
(n)	Mr. Ajay Kapur	Managing Director & Chief Executive Officer
(o)	Mr. Suresh Joshi	Chief Financial Officer (with effect from 1st February, 2016)
(p)	Mr. Rajiv Gandhi	Company Secretary

Pursuant to amalgamation of Holcim (India) Private Limited with the Company, ACC Limited and OneIndia BSC Limited have become the subsidiaries of the Company.

Particulars	31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
2) Details of related party transactions			
A) Transactions with fellow subsidiaries			
1 Purchase of goods			
LafargeHolcim Energy Solutions S.A.S., France	**636.36**	335.38	
Lafarge India Private Limited	**0.02**	0.72	
	636.38	336.10	
2 Sale of goods			
LH Trading Pte Limited, Singapore	**-**	31.11	
Lafarge India Private Limited	**-**	31.39	
	-	62.50	
3 Receiving of services			
Holcim Group Services Limited, Switzerland	**2.97**	9.76	
Holcim Technology Limited, Switzerland	**230.08**	200.67	
Holcim Services (South Asia) Limited	**151.56**	86.52	
Thalamar Shipping AG, Switzerland	**-**	3.71	
	384.61	300.66	
4 Rendering of services			
Holcim Technology Limited (Sinagapore) Pte Limited	**0.01**	-	
LH Trading Pte Limited, Singapore	**0.01**	-	
	0.02	-	

Note 46 - Related party disclosure

Particulars		31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
5	Other recoveries			
	Holcim (Lanka) Limited, Sri Lanka	**-**	0.38	
	Holcim Services (South Asia) Limited	**-**	0.73	
	Holcim Technology Limited, Switzerland	**3.09**	0.28	
	LH Trading Pte Limited, Singapore	**-**	0.12	
	LafargeHolcim Energy Solutions S.A.S., France	**0.06**	0.03	
	Siam City Cement (Lanka) Ltd, Sri Lanka	**-**	0.15	
	Cementos Apasco SA de CV (LHMEX), Mexico	**0.11**	-	
		3.26	1.69	
6	Other payments			
	Holcim (Lanka) Limited, Sri Lanka	**-**	0.05	
	LafargeHolcim Energy Solutions S.A.S., France	**3.47**	1.50	
	Geocycle (Deutschland) Gmbh., Deutschland	**-**	0.01	
	Holcim Technology Limited, Switzerland	**0.07**	0.16	
	Holcim (Liban) S.A.L., Liban	**-**	0.11	
		3.54	1.83	
7	Amounts receivable at the year end			
	Holcim (Lanka) Limited, Sri Lanka	**-**	-	0.18
	Holcim Cement (Bangladesh) Limited, Bangladesh	**0.01**	0.11	0.05
	PT Holcim Indonesia Tbk., Indonesia	**0.15**	0.15	0.06
	Holcim Technology Limited, Switzerland	**-**	-	0.33
	Lafarge India Private Limited	**-**	-	11.72
	Holcim Philippines, Inc., Philippines	**0.02**	0.02	-
	Holcim Technology (Singapore) Pte Limited	**0.01**	-	-
	Cementos Apasco SA de CV (LHMEX)	**0.11**	-	-
	LafargeHolcim Trading Pte Limited, Singapore	**0.01**	-	-
		0.31	0.28	12.34
8	Amounts payable at the year end	**-**		
	Holcim Technology Limited, Switzerland	**53.21**	43.32	21.08
	Holcim Philippines, Inc., Philippines	**-**	0.02	0.02
	Holcim Technology (Singapore) Pte Limited, Singapore	**-**	-	0.02
	Holcim Services (South Asia) Limited	**23.00**	13.19	8.67
	Holcim (Romania) S.A., Romania	**0.03**	0.03	0.03
	Holcim Trading FZCO, UAE	**0.17**	0.18	0.17
	Holcim Group Services Limited, Switzerland	**0.85**	0.08	-
	Lafarge Center de Recherche LCR	**0.02**	-	-
	Geocycle (Deutschland) Gmbh., Deutschland	**0.01**	0.01	-
	LafargeHolcim Energy Solutions S.A.S., France	**247.54**	118.65	-
		324.83	175.48	29.99

Particulars	31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
B) Transactions with Holding company			
1 Dividend paid			
Holderind Investments Limited, Mauritius	**365.18**	177.22	
2 Amounts payable at the year end			
Holderind Investments Limited, Mauritius (Refer note 55)	**-**	-	3,500.27
3 Share capital suspense account			
Holderind Investments Limited, Mauritius (Refer note 55)	**-**	-	11,084.07
4 Acquisition of equity shares			
Holderind Investments Limited, Mauritius (Refer note 55)	**-**	3,500.27	
5 Issue of equity shares (Including premium)			
Holderind Investments Limited, Mauritius (Refer note 55)	**-**	11,084.07	
6 Amounts receivable at the year end			
LafargeHolcim Limited	**0.52**	1.03	
C) Transactions with Associates			
1 Purchase of goods			
Alcon Cement Company Private Limited	**69.58**	69.33	
Asian Concretes and Cements Private Limited	**25.53**	31.11	
	95.11	100.44	
2 Sale of goods			
Alcon Cement Company Private Limited	**27.33**	23.17	
3 Rendering of services			
Alcon Cement Company Private Limited	**1.19**	1.04	
4 Receiving of services			
Asian Concretes and Cements Private Limited	**91.57**	50.36	
5 Other recoveries			
Alcon Cement Company Private Limited	**10.52**	12.68	
Asian Concretes and Cements Private Limited	**0.03**	-	
	10.55	12.68	
6 Other payments			
Alcon Cement Company Private Limited	**2.04**	2.70	
Asian Concretes and Cements Private Limited	**3.41**	2.07	
	5.45	4.77	
7 Dividend received			
Alcon Cement Company Private Limited	**3.06**	2.04	
Asian Concretes and Cements Private Limited	**-**	4.50	
	3.06	6.54	
8 Amounts receivable at the year end			
Alcon Cement Company Private Limited	**11.78**	6.53	10.32
9 Amounts payable at the year end			
Alcon Cement Company Private Limited	**8.92**	2.18	3.60
Asian Concretes and Cements Private Limited	**14.70**	14.59	9.70
	23.62	16.77	13.30

Notes to Consolidated Financial Statements

Note 46 - Related party disclosure

Particulars	31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
D) Transactions with joint ventures			
1 Sale of fixed assets			
Counto Microfine Products Private Limited	**-**	0.01	
2 Rendering of services			
Counto Microfine Products Private Limited	**2.17**	0.95	
3 Dividend Received			
Counto Microfine Products Private Limited	**2.25**	0.62	
Aakaash Manufacturing Company Private Limited	**1.69**	1.10	
	3.94	1.72	
4 Purchase of Goods			
Counto Microfine Products Private Limited	**3.35**	2.03	
Aakaash Manufacturing Company Private Limited	**93.12**	92.36	
	96.47	94.39	
5 Sale of goods			
Counto Microfine Products Private Limited	**0.30**	0.05	
Aakaash Manufacturing Company Private Limited	**22.35**	19.70	
	22.65	19.75	
6 Other recoveries			
Aaakash Manufacturing Company Private Limited	**0.37**	1.89	
7 Other payments			
Counto Microfine Products Private Limited	**-**	0.05	
Aakaash Manufacturing Company Private Limited	**0.29**	0.70	
	0.29	0.75	
8 Amounts receivable at the year end			
Counto Microfine Products Private Limited	**0.56**	0.23	0.37
Aakaash Manufacturing Company Private Limited	**3.63**	2.96	4.11
	4.19	3.19	4.48
9 Amounts payable at the year end			
Counto Microfine Products Private Limited	**0.65**	0.14	-
Aakaash Manufacturing Company Private Limited	**18.36**	21.17	14.24
	19.01	21.31	14.24
E) Transactions with key management personnel			
Remuneration			
Short term employee benefits	**11.91**	8.98	
Post employment benefit	**0.71**	0.55	
Commission, Sitting fee and other reimbursement	**5.53**	3.28	
	18.15	12.81	

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 Company makes monthly contributions to a trust specified for this purpose as below :

	31.12.2017	31.12.2016
Ambuja Cements Limited staff provident fund trust	**4.97**	4.81
The Provident fund of ACC Ltd	**22.35**	20.52
	27.32	25.33

Note 46 - Related party disclosure

Particulars	31.12.2017 ₹ in crore	31.12.2016 ₹ in crore	01.01.2016 ₹ in crore
2) Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year, the Group has contribued the following amounts			
Ambuja Cements Limited Employees Grautity fund trust	**15.50**	6.29	
ACC limited Employees Group Gratuity scheme	**7.19**	16.78	
	22.69	23.07	
3) The performance incentive to Managing Director and Chief Executive Officer is accounted for as and when it is approved by the Board.			

Note 47 - Financial instruments

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
A) Classification of financial assets and liabilities			
Financial assets at amortised cost			
Trade receivables	**931.53**	924.07	718.63
Loans	**323.86**	287.56	332.49
Investments	**33.30**	33.30	33.30
Cash and cash equivalents and bank balances	**3,764.20**	2,736.70	4,337.39
Other financial assets	**114.95**	96.88	83.38
Financial assets at fair value through the statement of profit and loss			
Cash & cash equivalents (Investment in liquid mutual funds)	**2,467.38**	1,827.31	2,277.05
Investment in fully paid up equity shares (other than, joint ventures and associates)	**-**	28.35	17.06
Total	**7,635.22**	5,934.17	7,799.30
Financial liabilities at amortised cost			
Trade payables	**2,798.34**	2,068.48	1,480.54
Other financial liabilities	**1,237.53**	1,369.55	4,893.66
Sales tax deferment loan	**-**	13.23	23.29
Interest free loan from State Government	**24.12**	15.73	6.73
Total	**4,059.99**	3,466.99	6,404.22

B) 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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition that are at fair value, into level 1 to level 3 as described below :

Particulars	Fair Values			Valuation technique
	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore	
Financial assets at fair value through the statement of profit and loss				
Investment in liquid mutual funds (Level 1).....	**2,467.38**	1,827.31	2,277.05	Based on "net asset value" of the scheme
Investment in fully paid up equity shares				
Quoted (Level 1)	**-**	28.35	17.06	Quoted price
Unquoted (Level 2)	**-**	-	-	Discounted cash flow method using risk adjusted discount rate

Fair value of the Group's financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Fair Values ₹ in crore	Carrying value ₹ in crore	Valuation technique
i) Interest free loan from State Government (Level 3)			
As at 31.12.2017..	**22.69**	**24.12**	Discounted cash flow method using risk adjusted discount rate
As at 31.12.2016..	15.17	15.73	
As at 01.01.2016..	6.38	6.73	
ii) Investment in Himachal Pradesh Infrastructure Development bonds (Level 2)			
As at 31.12.2017..	**25.38**	**29.60**	Discounted cash flow method using risk adjusted discount rate
As at 31.12.2016..	23.50	29.60	
As at 01.01.2016..	21.76	29.60	

The management 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 and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

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 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Total debt	**24.12**	28.96	30.02
Less: Bank balances other than cash and cash equivalents	**358.07**	353.96	93.82
Cash and cash equivalents........................	**5,873.51**	4,210.05	6,520.62
Net debt..	**(6,207.46)**	(4,535.05)	(6,584.42)
Equity attributable to owners of the parent....................	**20,672.20**	19,820.92	19,412.90
Debt to equity net..	**-**	-	-

Note 49 - Dividend distribution made and proposed

Particulars	2017 ₹ in crore	2016 ₹ in crore
A) Dividends on equity shares declared and paid		
i) Interim dividend for the year ended 31 December, 2017 ₹ 1.60 per share (31st December, 2016 - ₹ 1.60 per share)	**317.70**	248.30
ii) Dividend distribution tax on interim dividend	**43.63**	50.55
iii) Final dividend for the year ended 31 December, 2016 ₹ 1.20 per share (31st December, 2015 - ₹ 1.20 per share)	**238.28**	186.23
iv) Dividend distribution tax on final dividend	**37.03**	37.91
Total	**636.64**	522.99
B) Proposed dividends on equity shares		
i) Final dividend for the year ended 31st December, 2017 ₹ 2.00 per share (31st December, 2016 ₹ 1.20 per share)	**397.13**	238.28
ii) Dividend distribution tax on proposed final dividend	**52.15**	37.03
Total	**449.28**	275.31

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) as at 31st December, 2017.

Note 50 - Assets held for disposal

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Plant and equipment (i)	**7.75**	6.17	7.86
Building (ii)	**5.39**	5.96	5.86
Total	**13.14**	12.13	13.72

Notes :

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 - ₹ Nil) is recognised in the consolidated statement of profit and loss under other expenses.

Note 51 - Government grants

Particulars	2017 ₹ in crore	2016 ₹ in crore
Grants received during the year and taken to statement of profit and loss		
Incentives and subsidies	**237.55**	75.99
Discounting income recognised under miscellaneous income in other operating income	**4.05**	5.90
Total	**241.60**	81.89

Note 52 - Financial Risk Management objectives

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.

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.

Note 52 - Financial Risk Management objectives

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.

The Group is not an active 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 certificate of deposits. 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	Security deposit from dealers (Fixed Rate) ₹ in crore	Non-Interest bearing borrowings ₹ in crore	Total ₹ in crore
As at 31st December, 2017	**892.96**	**24.12**	**917.08**
As at 31st December, 2016	878.61	28.96	907.57
As at 1st January, 2016	998.30	30.02	1,028.32

Interest rate sensitivities for unhedged exposure (impact on increase / decrease in 100 bps)

Particulars	**As at 31.12.2017**		As at 31.12.2016		As at 01.01.2016	
	Increase ₹ in crore	**(Decrease) ₹ in crore**	Increase ₹ in crore	(Decrease) ₹ in crore	Increase ₹ in crore	(Decrease) ₹ in crore
Security Deposit from dealers (Fixed Rate)	**21.36**	**(21.36)**	15.29	(15.29)	23.09	(23.09)

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group 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 and therefore it has not hedged it's foreign currency payables and receivables.

Note 52 - Financial Risk Management objectives

The carrying amount of foreign currency denominated financial assets and liabilities, are as follows

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Trade payable and other current financial liabilities			
CHF	**0.54**	0.19	2.63
DKK	**-**	-	0.04
EURO	**6.43**	15.37	13.96
GBP	**-**	0.18	0.61
JPY	**-**	0.08	0.22
SEK	**0.01**	-	0.07
SGD	**0.10**	-	0.02
USD	**302.20**	142.39	8.53
Trade receivables, loans and other financial assets			
USD	**2.76**	0.03	0.39
CHF	**0.54**	-	-
DKK	**-**	-	-
EUR	**7.03**	-	-
JPY	**-**	-	-
SGD	**0.07**	-	-

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 31.12.2017		As at 31.12.2016		As at 01.01.2016	
	1% Increase ₹ in crore	1% decrease ₹ in crore	1% Increase ₹ in crore	1% decrease ₹ in crore	1% Increase ₹ in crore	1% decrease ₹ in crore
Trade Payables						
CHF	**-**	**-**	-	-	0.03	(0.03)
DKK	**-**	**-**	-	-	-	-
EURO	**0.06**	**(0.06)**	0.15	(0.15)	0.14	(0.14)
GBP	**-**	**-**	-	-	0.01	(0.01)
JPY	**-**	**-**	-	-	-	-
SEK	**-**	**-**	-	-	-	-
SGD	**-**	**-**	-	-	-	-
USD	**3.03**	**(3.03)**	1.42	(1.42)	0.09	(0.09)
Trade Receivable						
USD	**0.03**	**(0.03)**	-	-	-	-
CHF	**0.01**	**(0.01)**	-	-	-	-
DKK	**-**	**-**	-	-	-	-
EUR	**0.07**	**(0.07)**	-	-	-	-
JPY	**-**	**-**	-	-	-	-
SGD	**-**	**-**	-	-	-	-

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.

Note 52 - Financial Risk Management objectives

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.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Long-term loans to related party	**25.80**	20.10	0.83
Trade receivables	**35.16**	42.50	43.46

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 for 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 is backed either by bank guarantee, letter of credit or security deposits.

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	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Up to 6 months	**881.78**	908.01	698.51
More than 6 months	**49.75**	16.06	20.12
	931.53	924.07	718.63
Movement in expected credit loss allowance of financial assets			
Balance at the beginning of the year	**42.50**	43.46	
Add: provided during the year	**5.81**	15.39	
Less : reversal of provisions	**3.00**	11.36	
Less : amounts written off	**10.15**	4.99	
Balance at the end of the year	**35.16**	42.50	

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, 2017 are ₹ 153.07 crore and ₹ 2,467.38 crore (31st December, 2016 - ₹ 174.80 crore and ₹ 1,827.31 crore; 1st January, 2016 - ₹ 156.88 crore and ₹ 2,277.05 crore)

Note 52 - Financial Risk Management objectives

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 table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

Particulars	Less Than 1 year ₹ in crore	More than 1 year ₹ in crore	Total ₹ in crore
As at 31.12.2017			
Borrowings (including current maturities of long term debts)	**-**	**24.12**	**24.12**
Trade payables	**2,798.34**	**-**	**2,798.34**
Other financial liabilities	**1,235.78**	**1.75**	**1,237.53**
Investment in liquid mutual funds	**2,467.38**	**-**	**2,467.38**
As at 31.12.2016			
Borrowings (including current maturities of long term debts)	-	15.73	15.73
Trade payables	2,068.48	-	2,068.48
Sales tax deferment loan	13.23	-	13.23
Other financial liabilities	1,367.31	2.24	1,369.55
Investment in liquid mutual funds	1,827.31	-	1,827.31
As at 01.01.2016			
Borrowings (including current maturities of long term debts)	-	19.96	19.96
Trade payables	1,480.54	-	1,480.54
Sales tax deferment loan	10.06	-	10.06
Other financial liabilities	4,890.85	2.81	4,893.66
Investment in liquid mutual funds	2,277.05	-	2,277.05

Note 53 - Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from 1st January, 2018

Amendment to Ind AS 7

The amendment to Ind AS 7 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The adoption of these amendments will not have material impact the consolidated financial statements.

Note 54

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 Venture	2017 in %	2016 in %
Direct Joint Venture		
Counto Microfine Products Private Limited	**50.00%**	50.00%
Joint Venture of subsidiary		
Aakaash Manufacturing Company Private Limited	**40.00%**	40.00%

Aggregate information of joint ventures that are not individually material

Particulars	2017 ₹ in crore	2016 ₹ in crore
The Group's share of profit / (loss) from continuing operations	**4.83**	5.26
The Group's share of post tax profit (loss) from discontinued operations	**-**	-
The Group's share of other comprehensive income	**0.01**	(0.03)
The Group's share of total comprehensive income	**4.84**	5.23
The carrying amount of the investment	**36.16**	34.41

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	2017 in %	2016 in %
Associates of subsidiary		
Alcon Cement Company Private Limited	**40.00%**	40.00%
Asian Concretes and Cements Private Limited	**45.00%**	45.00%

Aggregate information of associates that are not individually material

Particulars	2017 ₹ in crore	2016 ₹ in crore
The Group's share of profit / (loss) from continuing operations	**7.94**	6.05
The Group's share of post tax profit (loss) from discontinued operations	**-**	-
The Group's share of other comprehensive income	**(0.01)**	-
The Group's share of total comprehensive income	**7.93**	6.05
The carrying amount of the investment	**83.61**	78.74

Note 55

The consolidated opening balance sheet and consolidated financial statements for the year ended 31st December, 2016 have been audited by S R B C & CO LLP, the predecessor auditor.

Note 56 - Amalgamation of Holcim (India) Private Limited ('HIPL') with Ambuja Cements Limited ('the Company')

a) HIPL was primarily engaged in the cement business, through its downstream investment in cement manufacturing ventures in India. The Board of Directors and members of the Company had approved the Scheme of amalgamation (the Scheme) between the Company and HIPL from the appointed date, 1st April, 2013. The Scheme was sanctioned by the Hon'ble High Courts of Gujarat and Delhi vide their orders dated 7th April 2014 and 18th March, 2014 respectively. On 1st August, 2016, Foreign Investment Promotion Board had approved the transaction for acquisition of 24% equity shares of HIPL by the Company and subsequent merger of HIPL through share swap, being the conditions precedent to the Scheme. Pursuant to FIPB approval, the Scheme came into effect on 12th August, 2016 (effective date) when all the conditions precedent to the Scheme were complied with.

Note 56 - Amalgamation of Holcim (India) Private Limited ('HIPL') with Ambuja Cements Limited ('the Company')

b) During the previous year, pursuant to Scheme of Amalgamation, Holcim (India) Private Limited has been amalgamated with the Company with effect from the appointed date 1st April, 2013 and was accounted for, and continues to be accounted for, in accordance with then applicable accounting standards as per the scheme. Pursuant to this the Company has :

   i) purchased 24% equity shares of HIPL for a cash consideration of ₹ 3,500.27 crore.

   ii) cancelled 150,670,120 equity shares of ₹ 2 each, fully paid up, of the Company held by HIPL

   iii) issued 584,417,928 equity shares of ₹ 2 each, fully paid up to the equity shareholder of HIPL for the remaining 76% equity shares (without consideration being received in cash) and credited an amount of ₹ 10,967.20 crore to securities premium account.

c) The excess of the consideration viz. fair value of new shares issued and cost of shares in HIPL cancelled over the fair value of net assets taken over and the face value of the shares of the Company cancelled amounting to ₹ 2,827.48 crore has been recognised as Goodwill and is amortized over a period of three years from the appointed date in accordance with the Accounting Standard AS 14 Accounting for amalgamations as specified in the scheme.

d) Pursuant to the amalgamation, ACC Limited has become the subsidiary of the Company with effect from appointed date 1st April 2013 for the purpose of consolidation of ACC Limited with the Company.

e) Accordingly net balances under "Other Equity" from the appointed date till 31st December, 2015 has been added line by line in Consolidated Financial Statements. Further, consequent to amalgamation, the following adjustments by way of debit / (credit) have been made in the "Retained earning" under "Other equity":

   i) ₹ 2,591.85 crore being amortization of goodwill from the appointed date till 31st December, 2015, has been adjusted in opening balance sheet date as at 1st January, 2016.

   ii) ₹ (41.19) crore, being the net surplus in the statement of profit and loss of HIPL from the appointed date till 31st December, 2015, is adjusted in opening balance sheet date as at 1st January, 2016.

   iii) ₹ 199.96 crore, being the interim dividend and tax thereon paid by HIPL during the previous year; and

   iv) ₹ (131.02) crore being inter Company elimination of dividend paid by the Company, HIPL and ACC Limited during the previous year.

   v) ₹ (188.41) crore being the net surplus in the statement of profit and loss as per Consolidated Financial statement of ACC limited from the appointed date till 31st December, 2015 (including adjustment towards alignment of accounting policy).

f) Depreciation and amortisation, in the previous year, includes goodwill amortisation amounting to ₹ 235.63 crore.

Note 57 - Disclosure of trade payables

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Total outstanding dues of micro, small and medium enterprises (Refer note below)	**5.63**	8.32	4.64
Total outstanding dues of creditors other than micro, small and medium enterprises	**2,792.71**	2,060.16	1,475.90
Total	**2,798.34**	2,068.48	1,480.54
Note:-			
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.			
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :-			
Principal	**5.57**	8.28	4.64
Interest	**0.06**	0.04	-
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	**21.61**	14.80	3.42
Interest	**0.16**	0.13	0.03
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	**0.04**	-	-

Notes to Consolidated Financial Statements

Note 57 - Disclosure of trade payables

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
d. The amount of interest accrued and remaining unpaid at the end of the year	**0.06**	0.04	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-	-

Note 58 - 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	Country of incorporation and operation	As at 31.12.2017	As at 31.12.2016	As at 01.01.2016
ACC Limited	India	**49.95%**	49.95%	49.99%

The summarised financial information of ACC Limited is provided below. This information is based on amounts before intercompany eliminations

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Non-controlling interest in ACC Limited			
Total comprehensive income allocated to non-controlling interest	**462.86**	321.01	-
Accumulated balances of non-controlling interest	**4,673.25**	4,402.31	4,276.50
Summarised balance sheet of ACC Limited			
Non-current assets	**9,190.82**	9,289.24	9,438.69
Current assets	**5,654.92**	4,104.71	3,371.86
	14,845.74	13,393.95	12,810.55
Non-current liabilities	**694.35**	597.67	603.57
Current liabilities	**4,792.66**	3,980.06	3,649.61
Non-controlling interest of ACC Limited	**2.88**	2.78	2.65
	5,489.89	4,580.51	4,255.83
Equity attributable to owners of the parent	**9,355.85**	8,813.44	8,554.72
Dividends paid to non-controlling interest	**159.46**	159.45	-

Notes to Consolidated Financial Statements

Note 58 - Material partly-owned subsidiary

Summarised statement of profit and loss

Particulars	**31.12.2017 ₹ in crore**	31.12.2016 ₹ in crore
Income	**14,329.58**	12,646.20
Expenses		
Cost of materials consumed	**1,980.04**	1,587.26
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	**(14.90)**	16.99
Employee benefits expense	**821.36**	756.72
Power and fuel	**2,716.94**	2,159.91
Freight and forwarding expenses	**3,433.75**	2,636.11
Excise duty	**915.59**	1,533.67
Finance costs	**98.53**	78.67
Depreciation and amortization expense	**643.62**	609.18
Other expense	**2,435.51**	2,354.24
Total expenses	**13,030.44**	11,732.75
Profit before share in profit of associates and exceptional item	**1,299.14**	913.45
Share of profit of associates	**10.92**	10.45
Exceptional items	**-**	(38.59)
Profit before tax	**1,310.06**	885.31
Tax expense	**385.55**	226.89
Profit for the year	**924.51**	658.42
Other Comprehensive Income (OCI)	**2.24**	(15.63)
Total comprehensive income	**926.75**	642.79
Attributable to non-controlling interest	**0.10**	0.13
Attributable to owners of the company	**926.65**	642.66
Summarised cash flow statement of ACC Limited		
Cash flow from operating activities	**1,554.45**	1,389.54
Cash used in Investing activities	**(379.56)**	(534.52)
Cash used in financing activities	**(425.78)**	(429.88)
Net increase in cash and cash equivalents	**749.11**	425.14

Notes to Consolidated Financial Statements

Note 59 - Statutory group information

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	**2017**	**19,973.21**	**96.62%**	**1,249.57**	**82.41%**	**3.41**	**78.94%**	**1,252.98**	**82.40%**
	2016	19,356.87	97.66%	932.24	84.36%	(1.24)	13.78%	931.00	84.94%
Subsidiaries - Indian									
ACC Limited (Standalone)	**2017**	**9,365.46**	**45.30%**	**915.45**	**60.37%**	**2.37**	**54.86%**	**917.82**	**60.36%**
	2016	8,831.87	44.56%	647.05	58.55%	(15.63)	173.67%	631.42	57.61%
Kakinada Cements Limited (Liquidated during the year 2016)	**2017**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016	-	-	-	-	-	-	-	-
M.G.T. Cements Private Limited	**2017**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2016	0.01	-	(0.01)	-	-	-	(0.01)	-
Chemical Limes Mundwa Private Limited	**2017**	**0.74**	**-**	**(0.22)**	**(0.01%)**	**-**	**-**	**(0.22)**	**(0.01%)**
	2016	0.96	-	(0.20)	(0.02%)	-	-	(0.20)	(0.02%)
Dirk India Private Limited	**2017**	**(31.44)**	**(0.15%)**	**(2.86)**	**(0.19%)**	**(0.05)**	**(1.16%)**	**(2.91)**	**(0.19%)**
	2016	(28.53)	(0.14%)	0.36	0.03%	0.04	(0.44%)	0.40	0.04%
OneIndia BSC Private Limited	**2017**	**8.93**	**0.04%**	**2.63**	**0.17%**	**(0.21)**	**(4.86%)**	**2.42**	**0.16%**
	2016	6.51	0.03%	2.95	0.27%	0.02	(0.22%)	2.97	0.27%
Subsidiaries - Foreign									
Dang Cement Industries Private Limited	**2017**	**8.30**	**0.04%**	**(0.13)**	**(0.01%)**	**-**	**-**	**(0.13)**	**(0.01%)**
	2016	8.42	0.04%	(0.07)	(0.01%)	-	-	(0.07)	(0.01%)
Subsidiaries of subsidiary - Indian									
Bulk Cement Corporation (India) Limited	**2017**	**52.55**	**0.25%**	**1.90**	**0.13%**	**-**	**-**	**1.90**	**0.12%**
	2016	50.65	0.26%	2.46	0.22%	-	-	2.46	0.22%
ACC Mineral Resources Limited	**2017**	**70.40**	**0.34%**	**(11.50)**	**(0.76%)**	**-**	**-**	**(11.50)**	**(0.76%)**
	2016	81.90	0.41%	(35.62)	(3.22%)	-	-	(35.62)	(3.25%)
Lucky Minmat Limited	**2017**	**(1.03)**	**0.00%**	**(0.47)**	**(0.03%)**	**-**	**-**	**(0.47)**	**(0.03%)**
	2016	(0.56)	-	(0.75)	(0.07%)	-	-	(0.75)	(0.07%)
National Limestone Company Private Limited	**2017**	**0.68**	**-**	**(0.20)**	**(0.01%)**	**-**	**-**	**(0.20)**	**(0.01%)**
	2016	0.88	-	(0.18)	(0.02%	-	-	(0.18)	(0.02%)
Singhania Minerals Private Limited	**2017**	**(0.44)**	**-**	**(0.75)**	**(0.05%)**	**-**	**-**	**(0.75)**	**(0.05%)**
	2016	0.31	-	(0.10)	(0.01%)	-	-	(0.10)	(0.01%)

Notes to Consolidated Financial Statements

Note 59 - Statutory group information

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
Non-controlling interest in subsidiaries	**2017**	**(4,607.96)**	**(22.29%)**	**(428.52)**	**(28.26%)**	**(1.07)**	**(24.77%)**	**(429.59)**	**(28.25%)**
	2016	(4,370.24)	(22.05%)	(328.99)	(29.77%)	7.80	(86.67%)	(321.19)	(29.30%)
Joint ventures - Indian									
Counto Microfine Products Private Limited	**2017**	**23.45**	**0.11%**	**3.04**	**0.20%**	**0.02**	**0.46%**	**3.06**	**0.20%**
	2016	14.20	0.07%	2.53	0.23%	(0.01)	0.11%	2.52	0.23%
Aakaash Manufacturing Company Private Limited	**2017**	**12.71**	**0.06%**	**1.72**	**0.11%**	**(0.02)**	**(0.46%)**	**1.70**	**0.11%**
	2016	12.71	0.06%	2.74	0.25%	-	0.00%	2.74	0.25%
Associates of subsidiary - Indian									
Alcon Cement Company Private Limited	**2017**	**18.20**	**0.09%**	**0.52**	**0.03%**	**(0.01)**	**(0.23%)**	**0.51**	**0.03%**
	2016	20.76	0.10%	0.88	0.08%	-	0.00%	0.88	0.08%
Asian Concretes and Cements Private Limited	**2017**	**65.41**	**0.32%**	**7.42**	**0.49%**	**-**	**0.00%**	**7.42**	**0.49%**
	2016	57.98	0.29%	5.17	0.47%	-	0.00%	5.17	0.47%
Adjustments on consolidation	**2017**	**(4,286.97)**	**(20.74%)**	**(221.24)**	**(14.59%)**	**(0.12)**	**(2.78%)**	**(221.36)**	**(14.56%)**
	2016	(4,223.78)	(21.31%)	(125.38)	(11.35%)	0.02	(0.22%)	(125.36)	(11.44%)
Total equity attributable to owners of the Company	**2017**	**20,672.20**	**100.00%**	**1,516.36**	**100.00%**	**4.32**	**100.00%**	**1,520.68**	**100.00%**
	2016	19,820.92	100.00%	1,105.08	100.00%	(9.00)	100.00%	1,096.08	100.00%

Note:-The above figures are before eliminating intra group transactions and intra group balances.

Notes to Consolidated Financial Statements

Note 60 - First time adoption of Ind AS

The Group has prepared consolidated financial statements which comply with Ind AS applicable for year ended as on 31st December, 2017, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at 1st January, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its previous GAAP consolidated financial statements, including the balance sheet as at 1st January, 2016 and the consolidated financial statements as at and for the year ended 31st December, 2016 and how the transition from previous GAAP to Ind AS has affected the Group's consolidated financial position, consolidated financial performance and consolidated cash flows.

Exemptions Availed

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions :

a) Past Business Combinations

The Group has elected not to apply Ind AS 103- Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st January, 2016. Consequently, the Group has kept the same classification for the past business combinations as in its previous GAAP consolidated financial statements and the Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date

b) Deemed cost for property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st January, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c) Sales tax deferment loan

The Group has elected to use the previous GAAP carrying amount of the Sales Tax Deferment Loan existing at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

d) Fair value of financial assets and liabilities

As per Ind AS exemption the Group has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

Notes to Consolidated Financial Statements

Note 60 - First time adoption of Ind AS

Disclosure as required by Ind AS 101 - First time adoption of Indian Accounting Standards

Effect of Ind AS adoption on the consolidated balance sheet as at 1st January, 2016 and 31st December, 2016

Particulars	Notes		As at 01.01.2016						As at 31.12.2016				
			Previous GAAP	Ind AS adjustments				Ind AS	Previous GAAP	JV reversal *	Ind AS adjustments		Ind AS
				Impact of Amalgamation (Refer note 57)#	JV reversal *	Ind AS Adjustments (Refer section 1)	Reclassificaiton (Refer section 2)				Ind AS Adjustments (Refer section 1)	Reclassificaiton (Refer section 2)	
ASSETS													
1 Non-current assets													
a) Property, plant and equipment..	1	A, C	6,122.38	5,315.25	(11.92)	(33.82)	(0.47)	11,391.42	13,493.55	(11.31)	0.60	(0.18)	13,482.66
	2	F											
b) Capital work-in-progress	2	F	416.42	2,379.44	(0.36)	-	(0.02)	2,795.48	582.21	(0.08)	-	(0.09)	582.04
c) Goodwill	1	A (iv), B	47.37	8,083.73	(6.99)	(17.21)	-	8,106.90	7,905.69	(6.99)	(17.21)	-	7,881.49
d) Other intangible assets..............	1	C	0.42	16.67	-	44.91	(16.42)	45.58	3.99	-	42.19	-	46.18
	2	F											
e) Intangible assets under development	2	F	-	-	-	-	16.67	16.67	-		-	-	-
f) Investments accounted for using equity method...........................	2	A	-	-	19.92	-	90.31	110.23	-	21.69	-	91.46	113.15
Financial assets							-					-	
i) Investments.......................	1	D	29.60	96.10	-	11.26	(90.30)	46.66	130.53	-	22.57	(91.45)	61.65
	2	A											
ii) Loans	1	F	713.30	1,121.04	-	(13.93)	(1,520.75)	299.66	1,663.36	-	(10.84)	(1,398.48)	254.04
	2	B, F											
iii) Other financial assets	2	F	-	-	-	-	28.47	28.47	-	-	-	47.68	47.68
g) Non-current tax assets (net)	2	B	-	-	-	-	389.55	389.55	-	-	-	376.89	376.89
h) Other non-current assets	1	A (ii), F	282.48	465.93	(0.06)	49.45	1,093.06	1,890.86	805.60	(0.35)	44.37	840.25	1,689.87
	2	F											
Total - Non-current assets			**7,611.97**	**17,478.16**	**0.59**	**40.66**	**(9.90)**	**25,121.48**	**24,584.93**	**2.96**	**81.68**	**(133.92)**	**24,535.65**
2 Current assets													
a) Inventories.................................			897.76	1,189.43	(1.25)	-	-	2,085.94	2,164.56	(1.05)	-	-	2,163.51
b) Financial assets													
i) Investments.......................	2	C (i)	2,119.23	1,227.45	-	-	(3,342.98)	3.70	2,664.55	-	-	(2,664.55)	-
ii) Trade receivables	2	F	290.46	430.49	(2.68)	-	0.36	718.63	763.53	(2.80)	-	163.34	924.07
iii) Cash and cash equivalents	1	E	2,853.32	152.52	(0.02)	66.54	3,448.26	6,520.62	1,696.21	(0.95)	1.71	2,513.08	4,210.05
	2	C											
iv) Bank balances other than cash and cash equivalents.	2	C (ii)	-	-	-	-	93.82	93.82	-	-	-	353.96	353.96
v) Loans	2	C(i), F	305.72	353.06	(0.97)	-	(624.98)	32.83	772.04	(1.46)	-	(737.06)	33.52
vi) Other financial assets	2	F	-	-	-	-	54.91	54.91	-	-	-	49.20	49.20
c) Current tax assets	2	F	-	-	-	-	0.42	0.42	-	-	-	0.79	0.79
d) Other current assets....................	1	A (ii), F F	54.50	55.59	-	5.06	328.95	444.10	87.14	-	5.06	448.73	540.93
	2												
e) Assets classified as held for sale .	1	A (iii)	-	-	-	(34.46)	48.18	13.72	-	-	(34.46)	46.59	12.13
	2	F											
Total - Current assets			**6,520.99**	**3,408.54**	**(4.92)**	**37.14**	**6.94**	**9,968.69**	**8,148.03**	**(6.26)**	**(27.69)**	**174.08**	**8,288.16**
TOTAL - ASSETS..........................			**14,132.96**	**20,886.70**	**(4.33)**	**77.80**	**(2.96)**	**35,090.17**	**32,732.96**	**(3.30)**	**53.99**	**40.16**	**32,823.81**

Notes to Consolidated Financial Statements

Note 60 - First time adoption of Ind AS

Particulars	Notes		As at 01.01.2016						As at 31.12.2016				
			Previous GAAP	Ind AS adjustments				Ind AS	Previous GAAP	JV reversal *	Ind AS adjustments		Ind AS
				Impact of Amalgamation (Refer note 57)#	JV reversal *	Ind AS Adjustments (Refer section 1)	Reclassificaiton (Refer section 2)				Ind AS Adjustments (Refer section 1)	Reclassificaiton (Refer section 2)	
Equity and Liabilities													
Equity													
a) Equity share capital			310.38	-	-	-	-	310.38	397.13	-	-	-	397.13
b) Share suspense account			-	86.75	-	-	-	86.75	-	-	-	-	-
c) Other equity	1	D, E, G, H, I, K	9,961.02	8,749.52	-	305.23	-	19,015.77	19,148.32	-	275.47	-	19,423.79
Total - Equity attributable to owners of the company			10,271.40	8,836.27	-	305.23	-	19,412.90	19,545.45	-	275.47	-	19,820.92
d) Non-controlling interest	1	D, E, G, H, I, K	0.72	4,209.28	-	34.28	-	4,244.28	4,377.77	-	(7.53)	-	4,370.24
Total Equity			**10,272.12**	**13,045.55**	**-**	**339.51**	**-**	**23,657.18**	**23,923.22**	**-**	**267.94**	**-**	**24,191.16**
Liabilities													
1 Non-current liabilities													
a) Financial liabilities													
i) Borrowings	1	G	23.55	-	(0.87)	(2.72)	-	19.96	23.58	-	(7.85)	-	15.73
ii) Other financial liabilities	2	F	-	-	-	-	2.81	2.81	-	-	-	2.24	2.24
b) Provisions	1	H	36.17	119.86	(0.06)	5.34	(0.01)	161.30	177.85	(0.08)	7.68	0.11	185.56
c) Deferred tax liabilities (net)	1 2	I F	565.60	470.42	(0.71)	95.39	(1.85)	1,128.85	1,053.35	(1.16)	84.47	(121.38)	1,015.28
d) Other non-current liabilities	2	F	5.99	-	-	-	(2.81)	3.18	7.95	-	-	(2.24)	5.71
Total - Non-current liabilities			631.31	590.28	(1.64)	98.01	(1.86)	1,316.10	1,262.73	(1.24)	84.30	(121.27)	1,224.52
2 Current liabilities													
a) Financial liabilities													
i) Borrowings	2	F	0.30	-	-	-	(0.30)	-	0.29	-	-	(0.29)	-
ii) Trade payables	2	F	679.84	839.67	(1.41)	-	(37.56)	1,480.54	2,150.84	(1.55)	-	(80.81)	2,068.48
iii) Other financial liabilities	1 2	J D, F	-	3,500.27	-	-	1,400.64	4,900.91	-	-	-	1,380.54	1,380.54
b) Other current liabilities	1 2	J, K D, F	1,464.88	2,269.83	(1.25)	-	(1,363.90)	2,369.56	3,650.87	(0.46)	-	(1,137.03)	2,513.38
c) Provisions	1 2	K F	1,084.51	641.10	(0.03)	(359.72)	(1,233.69)	132.17	1,745.01	(0.05)	(298.25)	(1,306.29)	140.42
d) Current Tax Liabilities (Net)	2	E	-	-	-	-	1,233.71	1,233.71	-	-	-	1,305.31	1,305.31
Total - Current liabilities			**3,229.53**	**7,250.87**	**(2.69)**	**(359.72)**	**(1.10)**	**10,116.89**	**7,547.01**	**(2.06)**	**(298.25)**	**161.43**	**7,408.13**
Total - Liabilities			**3,860.84**	**7,841.15**	**(4.33)**	**(261.71)**	**(2.96)**	**11,432.99**	**8,809.74**	**(3.30)**	**(213.95)**	**40.16**	**8,632.65**
TOTAL - EQUITY AND LIABILITIES			**14,132.96**	**20,886.70**	**(4.33)**	**77.80**	**(2.96)**	**35,090.17**	**32,732.96**	**(3.30)**	**53.99**	**40.16**	**32,823.81**

* On transition to Ind AS, the Company has assessed and determined that Counto Microfine Products Private Limited is a joint venture under Ind AS 111 "Joint Arrangements". Accordingly, it is accounted for using the equity method as against proportionate consolidation in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the Company had previously proportionately consolidated including goodwill arising on acquisition.

\# Refer ACC Limited consolidated balance sheet as at 1st January, 2016 set out in subsequent pages to evaluate the impact, however differences, if any, are mainly attributable to amalgamation of HIPL and elimination of intra-group balances between the Company, ACC limited and HIPL.

Note 60 - First time adoption of Ind AS

Effect of Ind AS adoption on the consolidated statement of profit and loss for the year ended 31st December, 2016

Particulars	Notes		Previous GAAP	Ind AS Adjustments		As per Ind AS
				JV reversal*	Others	
1 Income						
a) Revenue from operations	1	G, L, M	20,343.83	(10.35)	2,598.74	22,932.22
b) Other income	1	D, E, F	518.14	(0.03)	(50.26)	467.85
Total income			20,861.97	(10.38)	2,548.48	23,400.07
2 Expenses						
a) Cost of materials consumed			2,342.09	(0.33)	-	2,341.76
b) Purchases of stock-in-trade	1	M	90.16	-	(87.64)	2.52
c) Change in inventories of finished goods,work-in-progress and stock-in-trade			(13.25)	0.08	-	(13.17)
d) Excise duty	1	L	-	(0.07)	2,838.52	2,838.45
e) Employee benefits expense	1	N	1,397.21	(0.74)	(26.40)	1,370.07
f) Finance costs	1	G, H, N, O	140.54	(0.09)	12.54	152.99
g) Depreciation and amortisation expense	1	A (ii)	1,463.18	(0.98)	(1.27)	1,460.93
h) Power and fuel			3,996.49	(2.23)	-	3,994.26
i) Freight and forwarding expense			5,111.92	(0.08)	-	5,111.84
j) Other Expenses	1	A (i) (ii), F, L, O	4,307.71	(2.97)	(191.76)	4,112.98
			18,836.05	(7.41)	2,543.99	21,372.63
Less : Self consumption of cement (net of excise duty)			7.68	-	-	7.68
Total expenses			**18,828.37**	**(7.41)**	**2,543.99**	**21,364.95**
3 Profit before expenses and share in profit of joint venture and associate (1-2)			**2,033.60**	**(2.97)**	**4.49**	**2,035.12**
4 Share of profit of associates and joint ventures			8.79	2.52	-	11.31
5 Profit before exceptional items (3+4)			**2,042.39**	**(0.45)**	**4.49**	**2,046.43**
6 Exceptional items			38.59	-	-	38.59
7 Profit before tax (5-6)			**2,003.80**	**(0.45)**	**4.49**	**2,007.84**
8 Tax expense						
Current tax	1	I (ii)	567.47	-	110.93	678.40
Deferred tax - charge / (credit)	1	I (ii)	8.53	(0.45)	(112.71)	(104.63)
			576.00	(0.45)	(1.78)	573.77
9 Profit for the year (7-8)			**1,427.80**	**-**	**6.27**	**1,434.07**
10 Other comprehensive income						
Items not to be reclassified to profit or loss in subsequent periods						
Remeasurement gains / (losses) on defined benefit plans	1	N, O	-	-	(25.74)	(25.74)
Tax adjustment on above	1	I	-	-	8.94	8.94
Total other comprehensive income			-	-	(16.80)	(16.80)
11 Total comprehensive income for the period (9+10)			**1,427.80**	**-**	**(10.53)**	**1,417.27**

* On transition to Ind AS, the Company has assessed and determined that Counto Microfine Products Private Limited is a joint venture under Ind AS 111 "Joint Arrangements". Accordingly, it is accounted for using the equity method as against proportionate consolidation in accordance with Ind AS 28 "Investments in Associates and Joint Ventures". For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the Company had previously proportionately consolidated including goodwill arising on acquisition.

Note 60 - First time adoption of Ind AS

Effect of Ind AS adoption on the consolidated statement of cash flow for the year ended 31st December, 2016

Particulars	Previous GAAP ₹ in Crore	Ind AS Adjustments ₹ in Crore	As per Ind AS ₹ in Crore
Net cash flow from operating activities	2,815.07	(4.78)	2,810.29
Net cash flow from investing activities	(4,098.79)	(66.13)	(4,164.92)
Net cash flow from financing activities	(960.78)	3.19	(957.59)
Net increase / (decrease) in cash and cash equivalents	**(2,244.50)**	**(67.72)**	**(2,312.22)**
Cash and cash equivalents acquired pursuant to scheme of amalgamation ...	1,475.19	(1,475.19)	-
Cash and cash equivalents as at 1st January, 2016	5,036.64	1,483.98	6,520.62
Cash and cash equivalents as at 31st December, 2016	**4,267.33**	**(58.93)**	**4,208.40**

Consolidated Balance Sheet of ACC Limited as on 1st January, 2016

Particulars	Previous GAAP ₹ in Crore	Ind AS Adjustments ₹ in Crore	As per Ind AS ₹ in Crore
ASSETS			
Non-current assets			
Property, plant and equipment	5,315.00	8.73	5,323.73
Capital work-in-progress	2,379.44	-	2,379.44
Goodwill	-	15.57	15.57
Other intangible assets	15.82	10.16	25.98
Intangible assets under development	16.67	-	16.67
Investments accounted for using equity method	80.91	1.41	82.32
Financial assets			
i) Investments	5.79	11.26	17.05
ii) Loans	1,116.76	(871.97)	244.79
iii) Other financial assets	-	0.11	0.11
Non-current tax assets (net)	-	306.53	306.53
Other non-current assets	465.93	560.58	1,026.51
Total - Non-current assets	**9,396.32**	**42.38**	**9,438.70**
Current assets			
Inventories	1,189.43	-	1,189.43
Financial assets			
i) Investments	1,227.45	(1,223.75)	3.70
ii) Trade receivables	484.43	-	484.43
iii) Cash and cash equivalents	94.03	1,289.27	1,383.30
iv) Bank balances other than cash and cash equivalents	-	33.66	33.66
v) Loans	352.82	(325.42)	27.40
vi) Other financial assets	-	7.78	7.78
Other current assets	55.48	173.81	229.29
Assets classified as held for sale	-	12.87	12.87
Total - Current assets	**3,403.64**	**(31.78)**	**3,371.86**
TOTAL - ASSETS	**12,799.96**	**10.60**	**12,810.56**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	187.95	-	187.95
Other equity	8,233.19	133.59	8,366.78
Total - Equity attributable to owners of the company	8,421.14	133.59	8,554.73
Non-controlling interest	2.65	-	2.65
Total Equity	8,423.79	133.59	8,557.38
Non-current liabilities			
Provisions	119.86	8.35	128.21
Deferred tax liabilities (net)	470.42	4.94	475.36
Total - Non-current liabilities	**590.28**	**13.29**	**603.57**

Note 60 - First time adoption of Ind AS

Particulars	Previous GAAP ₹ in Crore	Ind AS Adjustments ₹ in Crore	As per Ind AS ₹ in Crore
Current liabilities			
Financial liabilities			
i) Trade payables	877.50	(0.65)	876.85
ii) Other financial liabilities	-	939.66	939.66
Other current liabilities	2,269.06	(939.71)	1,329.35
Provisions	639.33	(590.24)	49.09
Current tax liabilities (net)	-	454.66	454.66
Sub total - Current liabilities	**3,785.89**	**(136.28)**	**3,649.61**
TOTAL - EQUITY AND LIABILITIES	**12,799.96**	**10.60**	**12,810.56**

Reconciliation of consolidated total equity of the Company as per previous GAAP to Ind AS is as under

Particulars	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
Share capital	397.13	397.13
Reserves and surplus	19,148.32	9,961.02
Total equity as per previous GAAP	19,545.45	10,358.15
Impact of HIPL amalgamation (Refer note 56)	-	8,749.52
Total equity attributable to owners of the Company as per previous GAAP	**19,545.45**	**19,107.67**
Ind AS adjustments		
a) Dividend not recognised as liability until declared	286.80	291.92
b) Financial liabilities measured at amortised cost using effective interest rate method	4.76	1.55
c) Spares parts capitalised	16.33	-
d) Gain on measurement of investments at fair value through profit and loss	12.37	72.15
	320.26	365.62
e) Tax adjustment on above items	(7.59)	(23.55)
f) Deferred tax on undistributed earnings of subsidiaries, joint ventures and associates	(37.20)	(36.84)
Total equity attributable to owners of the Company as per Ind AS	**19,820.92**	**19,412.90**
Non-controlling interest	4,370.24	4,244.28
Total equity	**24,191.16**	**23,657.18**

Reconciliation of non controlling interest as on 31st December, 2016 as per previous GAAP to Ind AS is as under

Particulars	2016 ₹ in crore
Non controlling interest as per previous GAAP as on 31st December, 2016	**4,377.77**
Ind AS adjustments	
a) Financial liabilities measured at amortised cost using EIR method	(5.15)
b) Spares parts capitalised	14.03
c) Gain / (loss) on measurement of investments at fair value through profit and loss	11.84
	20.72
d) Tax adjustment on above items	(3.35)
e) Deferred tax on undistributed earnings of subsidiaries, joint ventures and associates (including dividend distribution tax)	(24.90)
	(7.53)
Non controlling interest as per Ind AS as on 31st December, 2016	**4,370.24**

Note 60 - First time adoption of Ind AS

Reconciliation of consolidated net profit as reported under previous GAAP and consolidated total comprehensive income as per Ind AS, for the year ended 31st December, 2016, is as under :

Particulars	2016 ₹ in crore
Net profit attributable to owners of the Company as per previous GAAP	**1,121.13**
Ind AS adjustments	
a) Gain / (loss) on measurement of investments at fair value through profit and loss	(59.78)
b) Spares parts capitalised	16.32
c) Remeasurement of actuarial gain , arising in respect of defined benefit plans to other comprehensive income	13.80
d) Others	2.60
	(27.06)
e) Tax adjustment on above items	11.01
Net profit attributable to owners as per Ind AS	**1,105.08**
Other comprehensive income (net of tax expense)	(9.00)
Total comprehensive income attributable to owners of the Company as per Ind AS	**1,096.08**

Note : Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with net profit under the previous GAAP.

Notes to the reconciliation of equity as at 1st January, 2016 and 31st December, 2016 and total comprehensive income for the year ended 31st December, 2016

1) Ind AS adjustments

A) Property, Plant and Equipment

i) As per Ind AS 16, spare parts, stand- by equipment and servicing equipment are recognised as Property, Plant and Equipment (‘PPE’) when they meet the following criteria:

- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one period.

Accordingly, spare parts of ₹ 30.37 crore for 31st December, 2016 are recognised in PPE net of accumulated depreciation, resulting in reduction in ”other expenses” (consumption of spare parts), further related depreciation on spare parts capitalised is included in depreciation/amortisation charge for the year.

ii) Under previous GAAP, leasehold lands was included in the property, plant and equipment as AS 19 specifically excluded land from its perview. However, as per Ind AS 17, where the substantial risks and rewards incidental to ownership of an asset have not been transferred in the name of Company, those land leases are reclassified as operating leases and accordingly the amount paid towards such leases of ₹ 37.91 crore and ₹ 1.34 crore (1st January, 2016 - ₹ 39.24 crore and ₹ 1.34 crore) shown as prepayments under other non-current assets and other current assets respectively. Depreciation to the extent of ₹ 1.33 crore pertaining to leasehold land has been reversed and the same is expensed under the head “other expenses” (rent). This has no impact on statement of profit and loss or total equity.

iii) Under the previous GAAP, Group has recorded freehold non mining land of ₹ 31.00 crore and buildings of ₹ 3.46 crore (1st January, 2016 ₹ 31.00 crore and ₹ 3.46 crore respectively) as “Fixed assets held for sale” under other current assets which are stated at the lower of their net book value and net realisable value. Under Ind AS, non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Since the sale of land and building is not highly probable these are reclassified to Property, plant and equipment as on transition date.

iv) Goodwill recognised against acquisition of a subsidiary Dang Cements is treated as an asset (land) acquisition and accordingly goodwill of ₹ 17.21 crore (1st January, 2016 - ₹ 17.21 crore) is derecognised resulting in addition to property, plant and equipment.

Note 60 - First time adoption of Ind AS

B) Goodwill

During the year 2016, pursuant to scheme of amalgamation of HIPL with the Company, the excess of the consideration over the fair value of net assets taken over and the face value of the shares of the Company cancelled amounting to ₹ 2,827.48 crore was recognised as Goodwill in accordance with the Accounting Standard AS 14 - Accounting for amalgamation. The goodwill was amortized over a period of three years from the appointed date 1st April, 2013.

As a result of above ₹ 2,591.85 crore, being amount till 31st December, 2015 was charged to "retained earning" and balance ₹ 235.63 crore, as on 1st January, 2016 was recognized as goodwill and amortized in the previous year ended 31st December, 2016 (Refer note 56).

On consolidation of subsidiary, ACC limited, goodwill on consolidation is recognised amounting to ₹ 7,858.32 crore (1st January 2016 - ₹ 7,848.10 crore).

C) Other Intangible assets

Mining leasehold land of ₹ 42.19 crore (1st January, 2016 - ₹ 44.91 crore) disclosed under property plant and equipment in previous GAAP have been reclassified to other intangible assets, as per Ind AS.

D) Non-current investments

Under Ind AS, non-current investments in equity instruments are required to be measured at fair value in accordance with the principles of Ind AS 109 "Financial Instruments". Accordingly, fair value changes of ₹ 22.57 crore (1st January, 2016 - ₹ 11.26 crore). Net resultant gain of ₹ 11.31 crore is recognised in the statement of profit and loss account.

E) Current investments

Under Ind AS, current investments in liquid mutual funds are required to be measured at fair value in accordance with the principles of Ind AS 109 "Financial Instruments". Accordingly fair valuation impact on carrying amount of liquid mutual funds is ₹ 1.71 crore (1st January - 66.54 crore). Consequently ₹ (64.83) crore has been recognised in the statement of profit and loss in other income.

F) Security deposits and others

i) Under Previous GAAP, interest free lease security deposits are recorded at it's transaction value. Under Ind AS 109 "Financial Instruments", all financial assets are required to be initially recognized at fair value. The Group has fair valued security deposit under Ind AS at its initial recognition. Difference between the fair value and transaction value of the security deposit has been recognized as prepayment lease rental which has been amortised over it's lease term as rent expense grouped under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income grouped under 'other income'. Consequent to this change, the amount of security deposit decreased by ₹ 10.81 Crore (January 01, 2016 - ₹ 13.93 Crore).

ii) Prepayment lease rental of ₹ 3.72 Crore (January 01, 2016 - ₹ 3.72 Crore) is included in other current assets and ₹ 6.49 Crore (January 01, 2016 - ₹ 10.21 Crore) is included in other non-current assets. Accordingly rental expenses of ₹ 3.72 Crore and notional interest income of ₹ 3.12 Crore is recognised in the Consolidated Statement of Profit and Loss for the year ended December 31, 2016.

G) Non-current borrowings

Under previous GAAP, there was no specific guidance on accounting for government loans at below market rate of interest. Hence, these were recognised and carried at the amount of the proceeds received. Whereas in Ind AS, the benefit of government loans with below market rate of interest is accounted for as a government grant and is measured as the difference between the initial carrying amount of the loan determined in accordance with Ind AS 109 and the proceeds received from the loan. After initial recognition, the loan has been subsequently carried at amortised cost i.e. interest based on the market rate has been recognised under the effective interest rate method as part of finance costs.Accordingly, the Company has recognised the difference between the amount payable and its present value, which is ₹ 2.72 crore, in retained earning as on transition date and subsequently unwinding impact of ₹ (0.77) crore and discounting impact of ₹ 5.90 on account of fresh installment received during the year ended 31st December, 2016 are considered in the statement of profit and loss.

H) Non-current provisions

Under previous GAAP, provision for mines reclamation is initially measured at the undiscounted amount to settle the obligation, however, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditures expected to be required to settle the obligation. The Company has discounted the provision for mines reclamation to present value at the reporting dates resulting in the provisions being decreased by ₹ 7.68 crore (1st January, 2016 - ₹ 5.34 crore). Consequently, the unwinding of discount has been recognised as a finance cost i.e. ₹ 2.35 crore for the year ended 31st December, 2016.

Notes to Consolidated Financial Statements

Note 60 - First time adoption of Ind AS

I) Deferred tax liabilities (net)

i) Previous GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred Tax adjustments are recognised in relation such underlying transactions of ₹ 84.47 crore (1st January, 2016 - ₹ 95.39 crore).

ii) As per Ind AS 12, the Company has considered MAT entitlement credit of ₹ 117.70 crore as deferred tax asset being unused tax credit entitlement and consequently the same is being reclassified under deferred tax expenses from current tax expenses under the statement of consolidated profit and loss account.

iii) With respect of clarification issued by Ind AS Transition Facilitation Group, deferred tax liability has been provided by Parent Company if it is probable that the accumulated undistributed profits will be distributed in foreseeable future from subsidiary company.

J) Other current financial liabilities

The balance as on the transition date mainly includes amount payable to Holderind Investments Ltd, Mauritius (holding Company) amounting to ₹ 3,500.27 for purchase of HIPL shares held by the holding Company (Refer note 56). Also the Company has reclassified the security deposits from other current liabilities to other financial liabilities.

K) Current provisions

Under previous GAAP, proposed dividend including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. In case of the Company, the declaration of dividend occurs after period end. Accordingly, proposed dividend along with DDT liability associated with it, amounting to ₹ 286.80 crore as at the date of transition and for financial year 2016 - ₹ 291.92 crore respectively have been reversed and adjusted in retained earnings in financial year 2015 and 2016 respectively when paid.

L) Revenue from operations

i) Under previous GAAP, cash discount of ₹ 119.89 was recognised as part of other expenses which has now been adjusted against the revenue under Ind AS during the year ended 31st December, 2016.

ii) Under previous GAAP, revenue was presented net of excise duty. However, as per Schedule III to the Companies Act, 2013, revenue from operations is to be shown inclusive of excise duty. Accordingly, excise duty of ₹ 2,799.22 crore has been included in revenue from operations and shown separately as an expense (refer note - 65).

iii) Excise duty also includes ₹ 27.94 crore and ₹ 10.36 crore on account of captive consumption of clinker and variation of opening and closing stock recognised under other expenses which has now been regrouped.

M) Gross vs Net presentation

The Group has entered into arrangement with a Joint venture, Aakaash Manufacturing Company Private Limited (Aakaash) for sale of cement and purchase of Ready Mix Concrete. The Group purchases Ready Mix Concrete from Aakaash and subsequently sells this to customers with a pre-agreed margin. Under Previous GAAP, the Group recorded purchase and sale separately.

Aakaash essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales in Goa region. This is considered as royalty arrangement. Under Ind AS, the Group has recorded the net amount as royalty income. As a result, revenue from operations and purchase of stock-in-trade has reduced by ₹ 87.65 crore.

N) Employee benefits expenses

Under Ind AS, return on plan assets ₹ 9.24 crore and net interest expense on the net defined benefit liability ₹ (15.01) crore are reclassified from employee benefits expense to finance costs and re-measurements i.e. actuarial gains and losses of ₹ (20.62) crore are recognised in other comprehensive income from earlier employee benefits expense.

Note 60 - First time adoption of Ind AS

O) Other expenses

Under Ind AS, net interest expense on the net defined benefit liability ₹ (3.53) crore are reclassified from other expense to finance costs and re-measurements i.e. actuarial gains and losses of ₹ (5.12) crore are recognised in other comprehensive income from other expense.

2) Reclassification

A) Investments in subsidiaries and joint venture

Interest in joint ventures and associates of ₹ 91.45 crore (1st January, 2016 - ₹ 90.30) are accounted as per Ind AS 28 "Investments in Associates and Joint Ventures".

B) Non-current tax assets

As per schedule III, non-current income tax assets of ₹ 376.89 (1st January, 2016 - ₹ 389.55) are required to be presented on the face of balance sheet and hence they are reclassified accordingly.

C) Cash and cash equivalents

i) Investments in short term highly liquid mutual funds and certificate of deposits of ₹ 2,664.55 crore (1st January, 2016 - ₹ 3,342.98 crore) forming part of cash and cash equivalents.

ii) Fixed deposits with maturity of more than three months but less than twelve months of ₹ 276.94 crore (1st January 2016 - ₹ 36.13 crore) and earmarked balances with banks amounting to ₹ 77.02 crore (1st January 2016 - ₹ 57.69) have been reclassified from cash and bank balances to other bank balances as per Schedule III to Companies Act, 2013.

iii) Mainly includes deposit with Housing Development Finance Corporation Limited of ₹ 200 crore (1st January, 2016 - ₹ 200 crore) forming part of cash and cash equivalents.

iv) Other adjustments include ₹ 2.49 crore.

D) Other financial liabilities

The Company has mainly reclassified the security deposits of ₹ 878.61 crore (1st January, 2016 - ₹ 998.30 crore) being financial in nature from other current liabilities to other financial liabilities.

E) Current tax liabilities

As per schedule III, current tax liabilities of ₹ 1,305.31 (1st January, 2016 - ₹ 1,233.71) are required to be presented on the face of balance sheet and hence they are reclassified accordingly.

F) Other adjustments

To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

G) Statement of cash flows

The transition from previous GAAP to Ind AS had no material impact on the Statement of cash flows.

H) Non-controlling interest

Under the Previous GAAP, non-controlling interest was not considered as part of total equity and was presented separately. In the consolidated statement of profit and loss, share of non-controlling interest for the year was shown as a deduction from Group's profit or loss. Under Ind AS, non-controlling interests are considered as a part of total equity and its share in profit or loss for the year and total comprehensive income is shown as an allocation instead of as a deduction from profit or loss for the year.

Note 61

Particulars	As at 31.12.2017 ₹ in crore	As at 31.12.2016 ₹in crore
a) **Capitalisation of expenditure**		
Capital work-in-progress includes :		
Opening balance	**24.03**	199.11
Expenditure during construction of projects	**21.84**	43.16
Total	**45.87**	242.27
Less Capitalised during the year	**25.31**	218.24
Balance included in capital work-in-progress	**20.56**	24.03

Note 61

b) **Goodwill on Consolidation**

Particulars	**As at 31.12.2017 ₹ in crore**	As at 31.12.2016 ₹ in crore	As at 01.01.2016 ₹ in crore
The carrying amount of goodwill has been allocated as follows*			
ACC Limited	**7,858.30**	7,858.30	7,848.08
Dirk India Private Limited	**19.29**	19.29	19.29
MGT Cements Private Limited	**2.72**	2.72	2.72
Chemical Limes Mundwa Private Limited	**1.18**	1.18	1.18
Total	**7,881.49**	7,881.49	7,871.27

* Carrying amount excludes goodwill recognised on account of amalgamation of Holcim (India) Private Limited ('HIPL') with the Company (Refer note 56).

The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of three years 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 growth rate used in extrapolating cash flows during the budget period ranged from 4% to 5% for the year ended 31st December, 2016, 31st December, 2017 and 1st January, 2016.

Discount rate used ranged from 10% to 12% for the year ended 31st December, 2017, 31st December, 2016 and 1st January, 2016.

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.

Note 62 - Exceptional item

Particulars	**2017 ₹ in crore**	2016 ₹ in crore
Impairment of advances and other current assets relating to subsidiary	-	38.59

Impairment of ₹ 38.59 crore is in respect of advances and other assets relating to a subsidiary company considering inordinate delay in realising its investments in coal blocks which were cancelled in 2015.

Note 63

ACC Mineral Resources Limited (AMRL), a wholly-owned 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 yet been announced.

Note 64

i) 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 ₹ 22.84 Crore (Previous year - ₹ 20.35 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of cement so converted.

ii) 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 ₹ 83.61 Crore (Previous year - ₹ 87.65 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of Ready mix concrete.

Notes to Consolidated Financial Statements

Note 65

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 year ended 31st December, 2017, includes excise duty up to 30th June, 2017. Consolidated revenue of earlier periods included excise duty which is now subsumed in GST.

Note 66

During the year ended December 2016, the Board of Directors had approved the amalgamation of Dirk India Private Limited, a wholly owned subsidiary, with the Company w.e.f. 1st April, 2015, in terms of the Scheme of amalgamation. Further, the Board of Directors, in their meeting held on 28th April 2016, decided not to pursue the Scheme and not to file it with the Hon'ble High Courts for their approval. There is no material implication of this decision on the financial statements of the Company.

Note 67

(a) Other income includes ₹ Nil (previous year - ₹ 21.04 crore) written back towards interest on income tax relating to earlier years.

(b) Tax expense for earlier years represents write back upon completion of assessments and change in estimate of deferred tax and allowability of certain deductions.

Note 68

Figures below ₹ 50,000 have not been disclosed.

Note 69

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	**Rajendra P. Chitale** Chairman - Audit Committee
Rajiv Gandhi Company Secretary	**Martin Kriegner** Director	**Shailesh Haribhakti** Director
	B. L. Taparia Director	**Omkar Goswami** Director
	Haigreve Khaitan Director	**Usha Sangwan** Director
	Ajay Kapur Managing Director & Chief Executive Officer	

Mumbai, 20th February, 2018

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 FIFTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, 15th June, 2018 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, 2017, 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, 2017 and the Report of the Auditors thereon.

2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year ended 31st December, 2017.

3. To appoint a Director in place of Mr. Christof Hassig (DIN: 01680305), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Martin Kriegner (DIN: 00077715), who retires by rotation and being eligible, offers himself for re-appointment.

5. **Ratification of appointment of M/s Deloitte Haskins & Sells as Statutory Auditors.**

    To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-

    "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the Members at the Thirty Fourth Annual General Meeting, appointing M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Membership No. 117366W/W-100018) as Statutory Auditors of the Company to hold office until the conclusion of Thirty Ninth Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. Deloitte Haskins & Sells, as Statutory Auditors of the Company for the financial year ending 31st December, 2018 at such remuneration plus reimbursement of out-of-pocket, travelling expenses etc., as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors"

    "RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) and /or Company Secretary of the Company, be and is 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."

Special Business

6. **Appointment of Mr. Jan Jenisch (DIN:07957196) as a Director**

    To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

    "RESOLVED THAT Mr. Jan Jenisch (DIN: 07957196) who was appointed as an Additional Director of the Company w.e.f. 24th October, 2017 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 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offer himself for appointment 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 is 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."

7. **Appointment of Mr. Roland Kohler (DIN:08069722) as a Director**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Mr. Roland Kohler (DIN: 08069722) who was appointed as an Additional Director of the Company w.e.f. 20th February, 2018 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 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offer himself for appointment 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 is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. **Ratification of remuneration to the Cost Auditors**

To consider and if thought fit, to pass 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 2018 at a remuneration of ₹ 9,00,000/- (Rupees Nine Lakhs) plus reimbursement of the travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.

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

9. **Renewal of the "Technology and Know How" Agreement with Holcim Technology Ltd., a Related Party**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules thereunder (including any statutory modifications or enactments thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the Company for renewal of the "Technology and Know How Agreement" ("**TKH Agreement**") with Holcim Technology Ltd. on the terms and conditions set out therein including, without limitation, the "Technology and Know How fee" ("**TKH Fees**") payable to Holcim Technology Ltd. for a period of 3 (three) financial years commencing with effect from January 1, 2018 and up to December 31, 2020 at lower of the following rates:

a) 1% (one percent) of the net sales of the Company for each financial year; or

b) such rate as may be determined by the competent authorities of India and Switzerland under the Bilateral Advance Pricing Agreement under which applications have been filed by the Company and Holcim Technology Ltd. to confirm the arm's length rate for payment of TKH Fees under the TKH Agreement, which applications are still pending with the concerned authorities

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to finalize and execute TKH Agreement and all other documents and writings as it may deem fit, to amend or modify the TKH Agreement (save and except the rate of TKH Fees), to settle any question, difficulty or doubt that may arise with regard to the said TKH Agreement, and to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or desirable in the best interest of the Company without being required to seek any further consent or approval of the Members of the Company to the intent that the Members shall be deemed to have given their approval thereto by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of Directors or to the Managing Director and Chief Executive Officer (CEO) of the Company as it may consider appropriate in order to give effect to this resolution."

By Order of the Board of Directors

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

Place: Mumbai
Date: 4th May, 2018

Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of Item nos. 6 to 9 set out in the Notice is annexed hereto and forms part of this Notice.

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

3. 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 Monday, 9th April, 2018 to Friday, 13th April, 2018 (both days inclusive) for payment of final dividend.

7. The final 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 8th April, 2018 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 13th April, 2018.

8. a) Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations or NEFT. The dividend would be credited to their bank account as per the mandate given by the members to their DPs. In the absence of availability of NECS/ECS/NEFT facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations.

b) Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their Depository Participants (DPs) in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.

9. GREEN INITIATIVE:- SEBI & the Ministry of Corporate Affairs encourages paperless communication as a contribution to greener environment.

   Members holding shares in physical mode are requested to register their e-mail ID's with M/s. Link Intime India Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective DPs in case the same is still not registered.

   If there is any change in the e-mail ID already registered with the DPs/Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective depository participants in respect of shares held in electronic form.

   Members who wish to register their email ID can download the 'Green Initiative' form from the Company's website viz. http://www.ambujacement.com/Upload/Content Files/images/e communication-registration-form.pdf

10. The details of the Directors seeking appointment and re-appointment under item nos. 3, 4, 6 and 7 of this Notice is annexed hereto in terms of Regulation 36(3) of the SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings.

11. In terms of Section 101 and 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report 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.

12. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2017 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.

13. 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.

14. Members are requested to send all communications relating to shares and unclaimed dividends, change of 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).

15. **Unclaimed/Unpaid Dividend:**

    Members are informed that the interim dividend amount for the year ended 31^{st} December, 2011, remaining unclaimed shall become due for transfer on 20^{th} August, 2018 to the Investor

Education and Protection Fund established by the Central Government in terms of Section 124 of the Companies Act, 2013 on expiry of 7 years from the date of it's declaration.

Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of 7 years from the dates they became first due for payment.

Any member, who has not claimed the interim dividend in respect of the financial year ended 31st December, 2011 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 30th June, 2018.

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.

16. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account:

Pursuant to the provisions of Section 124 and 125 of the Companies Act 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 the IEPF authority after complying with the procedure laid down under the "Rules".

The Company in compliance with the aforesaid provisions and the "Rules" has transferred 27,56,344 equity shares of the F.V. of ₹ 2/- each belonging to 25,951 shareholders underlying the unclaimed dividends considering the Interim Dividend declared for the financial year 2010 as the base. The market value of the shares transferred is ₹ 74.99 crore considering the share price as on 31st December, 2017.

The company has also initiated the process for transfer of the shares underlying the unclaimed / unpaid final dividend declared for the financial year 2010 as per the "Rules".

Members are requested to take note of the aforesaid newly notified sections of the Companies Act, 2013 and 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 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

17. 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 8th June, 2018 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 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 and 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. 8th June, 2018 may obtain the User ID and password in the manner as mentioned below.

   The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Monday, 11th June, 2018 at 10:00 a.m. and ends on Thursday, 14th June, 2018 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 8th June, 2018 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.

(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 Monday, 11th June, 2018 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.

18. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.

19. 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.

20. 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.

21. 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.

22. Route Map showing directions to reach to the venue of the 35th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings."

EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 6 to 9 of the accompanying Notice dated 4th May, 2018.

In respect of item No. 6

The Board of Directors (based on the representation received from Holderind Investments Ltd. and recommendation of Nomination and Remuneration Committee) had appointed Mr. Jan Jenisch (DIN: 07957196) as an Additional Director from 24th October, 2017. Mr. Jan Jenisch, is currently the CEO of LafargeHolcim Ltd, the ultimate holding company of the Company ("Ambuja").

Mr. Jenisch is a MBA from the University of Fribourg, Switzerland. Prior to joining LafargeHolcim, Mr. Jenisch served as the CEO of Sika AG which develops and manufactures systems & products for the building materials and automotive sectors. At Sika, he worked in various management functions and countries and was appointed to the Management Board in 2004 as Head of the Industry Division and served as President Asia Pacific from 2007 to 2012. Under his leadership, Sika AG expanded into new markets and set new standards of performance in sales and profitability.

The other details of Mr. Jenisch in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. In terms of Section 161(1) of the Companies Act, 2013 read with Article 122 of the present Articles of Association of the Company, Mr. Jenisch holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting.

Mr. Jan Jenisch, being eligible has offered himself for appointment as a Director. The Board of Directors is of the opinion that Mr. Jenisch's vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 6 of this Notice for your approval.

Except, Mr. Jan Jenisch, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No. 6 of the Notice.

In respect of item No. 7

The Board of Directors (based on the representation from Holderind Investments Ltd. and recommendation of Nomination and Remuneration Committee) had appointed Mr. Roland Kohler as an Additional Director from 20th February, 2018. Mr. Roland Kohler (DIN: 08069722), is a MBA from the University of Zurich and has attended the Advanced Executive Program at INSEAD (European Institute for Business Administration).

Mr. Kohler has extensive commercial and international experience in cement, ready mix and aggregates industry ranging from operations, marketing, business integration, mergers & acquisitions, divestments etc. He joined Holcim group in 1994 as Head Management Consultant and progressed through the ranks to be appointed to the Executive Committee in March, 2010, responsible for Group Functions. He was a key member of the integration Committee for merger of Lafarge and Holcim. He also served as interim COO of the LafargeHolcim group. He is also the Chairman of LafargeHolcim Foundation for Sustainable Construction.

The other details of Mr. Kohler in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. In terms of Section 161(1) of the Companies Act, 2013 read with Article 122 of the present Articles of Association of the Company, Mr. Kohler holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting.

Mr. Kohler, being eligible has offered himself for appointment as a Director. The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 7 of this Notice for your approval.

Except, Mr. Roland Kohler, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No. 7 of the Notice.

In respect of item No. 8

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 2018 at a remuneration of ₹ 9,00,000/- 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 Directors recommend the Resolution at item no. 8 of this notice for your approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 8 of the Notice.

In respect of item No. 9

BACKGROUND

1. Since the year 2009, the Company has been regularly drawing upon various types of technical expertise and services from Holcim Ltd. (now LafargeHolcim Ltd). Some examples of these have been in:
    i. improving manufacturing processes and productivity;
    ii. optimising sales and distribution;

iii. increasing the use of alternate fuels;

iv. optimising the raw materials mix across various plants;

v. putting in place superior health & safety features;

vi. improving business outcomes through the secondment of senior personnel with key technical and subject-matter expertise;

vii. creating platforms, pathways and processes for increasing sustainability;

viii. providing technical assistance to operate aging plants as well as debottlenecking and other efficiency improvement projects

Historically, these services were rendered by Holcim Ltd. on a case-to-case basis to its group companies.

2. From January 1, 2013, Holcim Ltd. through Holcim Technology Ltd. ("Holcim Technology") decided to formalise these technology transfer services across all its group companies.

3. Accordingly, with effect from January 1, 2013, Holcim Ltd. globally implemented an Industrial Franchise Fee model, commonly referred to as the Technology and Know How Agreement ("TKH Agreement"), in terms of which an annual fee (i.e. "TKH Fees") is paid to Holcim Technology by the operating group companies for the supply of valuable intellectual property, technological know-how, end-to-end solutions and related managerial support.

4. Recognising the operational and commercial value of such technological know-how and intellectual property being supplied by Holcim Ltd., the Board of Directors of the Company had unanimously agreed to enter into the TKH Agreement with Holcim Technology.

5. At the time of finalising the TKH Agreement, Holcim Technology had proposed an annual TKH Fees amounting to 2% (two percent) of net sales of the Company. The Board of Directors, however, proposed a lower TKH Fees of 1% (one percent) of net sales of the Company, which Holcim Technology agreed to.

Thus, according to the TKH Agreement, the Company agreed to pay Holcim Technology an annual TKH Fees of 1% (one percent) of net sales for an agreed list of technical and managerial services, use of intellectual property and end-to-end solutions. The TKH Agreement was valid for a period of five years w.e.f 1st January, 2013 whereas the TKH Fees was initially approved @1% (one percent) of the net sales of the Company for each financial year for first two years, which was thereafter retained for the remaining period of three financial year i.e. until 31st December, 2017.

6. At that time, there was no requirement for the TKH Agreement to be placed before the Members of the Company for their approval under the then prevailing laws in force. However, as a measure of good corporate governance, the Board recommended that the TKH Agreement be referred to its Members for their consent. This was done by way of an ordinary resolution, which was passed by the Members of the Company through a postal ballot, which was completed on February 19, 2013.

7. With this approval of the Members, the Company has been paying the TKH Fees to Holcim Technology at the rate of 1% (one percent) of its net sales until December 31, 2017, the date of expiration of the five-year contract period of the TKH Agreement.

THE MATTER AT HAND

8. With effect from July 2015, Holcim Ltd. and Lafarge S.A. merged to form LafargeHolcim Ltd. ("LafargeHolcim"). LafargeHolcim is a world leader in building materials and a major player in cement, aggregates and concrete businesses.

9. LafargeHolcim's business concepts, which are made available to the Company under the TKH Agreement, mainly encompass:

a) manufacturing excellence, which has helped in optimizing production and improving plant efficiency;

b) improvements in commercial and marketing processes to create world class route to market capabilities;

c) access to training and development of human capital expertise and modules in order to attract and retain the best talents;

d) commitment and capability building to protect the ecology and conserve natural resources;

e) geocycle, a notable area of support which has given strength to the Company to use alternate fuel and resources through waste management solutions and best practices of re-use, recycling and co-processing;

f) commitment to provide safe working conditions and to achieve "Zero Harm and No Fatalities" in the plants — which require constant training and leadership building;

g) building and sharing expertise through its knowledge management functions and innovations;

h) sharing knowledge and expertise to assist the Company throughout the entire process of supplier selection;

i) providing best practices and business models from global experience to launch new businesses in India including aggregates and manufactured sand, water proofing chemical, digitally enabled processes for operations and customer acquisition and retention and affiliated retail inter-alia;

j) assisting with know-how and strategic and technical modelling to create investment opportunities and build new facilities for expansion and growth.

Going forward, the Company will be receiving technology and know-how from LafargeHolcim for aggregates and construction materials as well.

10. Thus, Holcim Ltd., and subsequently LafargeHolcim, have provided world class technologies and practices on a continuous basis under the TKH Agreement. These have helped your Company to derive substantial benefits — a fact that is recognised by your Board of Directors. The technical and commercial benefits that have accrued to the Company in the last 5 (five) years under the TKH Agreement have been also corroborated by independent third party experts.

BAPA AND OTHER RELEVANT CONSIDERATIONS

11. The Company and Holcim Technology Ltd. have together filed applications under the Bilateral Advance Pricing Agreement ("BAPA") with the competent authorities of India and Switzerland to confirm the arm's length nature of TKH Fees paid under the TKH Agreement. Indian tax authorities have visited the Company's plant facilities twice to assess the extent to which benefits have accrued to the Company under the TKH Agreement. Discussions between the two competent authorities on the BAPA application are at an advanced stage, and a decision in this regard is expected shortly.

12. In case the arm's length rate of TKH Fees as decided pursuant to the BAPA application is less than 1% (one percent) of net sales of the Company for each financial year, the TKH Fees payable under the renewed TKH Agreement will stand reduced accordingly for the full tenure of the TKH Agreement.

13. A certain portion of the TKH Fees paid by the Company to Holcim Technology under the TKH Agreement for the period 2013 to 2017 has been disallowed by the Income Tax authorities under the Transfer Pricing Rules. The Company has appealed against the assessments with the relevant appellate authorities, and the appeals are pending as on date. The Company is confident of succeeding in these appeals.

THE PROPOSAL BEFORE THE MEMBERS

14. The previous TKH Agreement expired on December 31, 2017. However, Holcim Technology has continued to provide these services to the Company even after the expiry of the TKH Agreement.

15. The Management of the Company has proposed an extension of the TKH Agreement beyond December 31, 2017.

16. The Board of Directors of the Company, based on the recommendation of the Audit Committee at their meetings held on April 18, 2018, has carefully assessed the benefits derived

by the Company from the TKH Agreement. These benefits would be both tangible and intangible and a portion of the benefits such as improvements brought about in health and safety, sustainability etc. while significant, may not be quantifiable in monetary terms. The Company had sought and obtained the approval of the shareholders in the year 2013 when the above TKH Agreement was entered into for a period extendable to five years which ended on December 31, 2017, in the interests of good transparent corporate governance despite the fact that such approval was not required under the then prevailing laws. In light of the foregoing, the Board unanimously approved:

a) the renewal of the TKH Agreement for a period of 3 (three) years starting January 1, 2018 subject to the approval of shareholders under Section 188 of the Companies Act, 2013; with

b) the payment of TKH Fees to Holcim Technology being held constant at the rate of 1% (one percent) of net sales of the Company or at such rate as may be determined by the competent authorities under BAPA, whichever is lower.

17. Holcim Technology Ltd. is a "related party" of the Company, within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

18. Under Section 188 of Companies Act, 2013, prior approval of Members of the Company through ordinary resolution is required for related party transactions (other than those on arm's length basis and in the ordinary course of business) involving sale, purchase or supply of any goods or materials or services in excess of the prescribed thresholds.

19. Under the provisions of Regulation 23 of the Listing Regulations, approval of Members of the Company through ordinary resolution is required for all 'material related party transactions'. A transaction with a related party is considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten percent) of the annual consolidated turnover of the listed entity as per its last audited financial statements. Since the aggregate value of the transactions with Holcim Technology Ltd. under the TKH Agreement will not exceed the above mentioned threshold under the Listing Regulations, consent of the Members of the Company is technically not required under Regulation 23 of the Listing Regulations.

20. Pursuant to provisions of Companies Act, 2013 and the Listing Regulations, Holderind Investments Ltd. (the immediate holding company of the Company), being related party of the Company, will abstain from voting on this Resolution.

21. The Board of Directors is of the opinion that renewal of the TKH Agreement is in the interest of the Company and its stakeholders and therefore is recommending to the Members of the Company to approve the proposed Ordinary Resolution.

22. None of the Directors of the Company and their relatives are interested or concerned, financially or otherwise, in the resolution.

23. A certified copy of the newly proposed TKH Agreement, as referred to in the accompanying Notice, is open for inspection at the Registered Office of the Company during the office hours on all working days, (except Saturdays, Sundays and other public holidays,) between 10.00 a.m. and 1.00 p.m. up to the date of the meeting.

By Order of the Board of Directors

Rajiv Gandhi
Company Secretary
(Membership No. A11263)

Place: Mumbai
Date: 4th May, 2018

ANNEXURE TO ITEMS. 3, 4, 6 & 7 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. Christof Hassig**	**Mr. Martin Kriegner**	**Mr. Jan Jenisch**	**Mr. Roland Kohler**
Date of Birth	25th April, 1958	6th September, 1961	2nd September, 1966	13th December, 1953
Nationality	Swiss	Austrian	German	Swiss
Date of Appointment on the Board	9th December, 2015	11th February, 2016	24th October, 2017	20th February, 2018
Qualifications	Masters in Banking, Advanced Management Program from Harvard Business school	Doctorate of Law and MBA from Austrian University	MBA from University of Fribourg, Switzerland	MBA from University of Zurich
Expertise in specific functional area	M & A, Corporate Finance & Treasury	Operations, Finance and General Management	Operations and Management	Operations, Marketing, Mergers & Acquisitions
Number of shares held in the Company	Nil	Nil	Nil	Nil
List of the directorships held in other companies*	ACC Ltd.	ACC Ltd.	ACC Ltd.	Nil
Number of Board Meetings attended during the year	6 of 7	7 of 7	1 of 2	Not applicable
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Chairman Nil Member Nil	Chairman Nil Member Audit Committee – ACC Ltd.	Chairman Nil Member Nil	Nil
Relationships between Directors inter-se	None	None	None	None
Remuneration details	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report	Not applicable

*Directorship includes Directorship of other Indian Public Companies and Committee memberships 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.

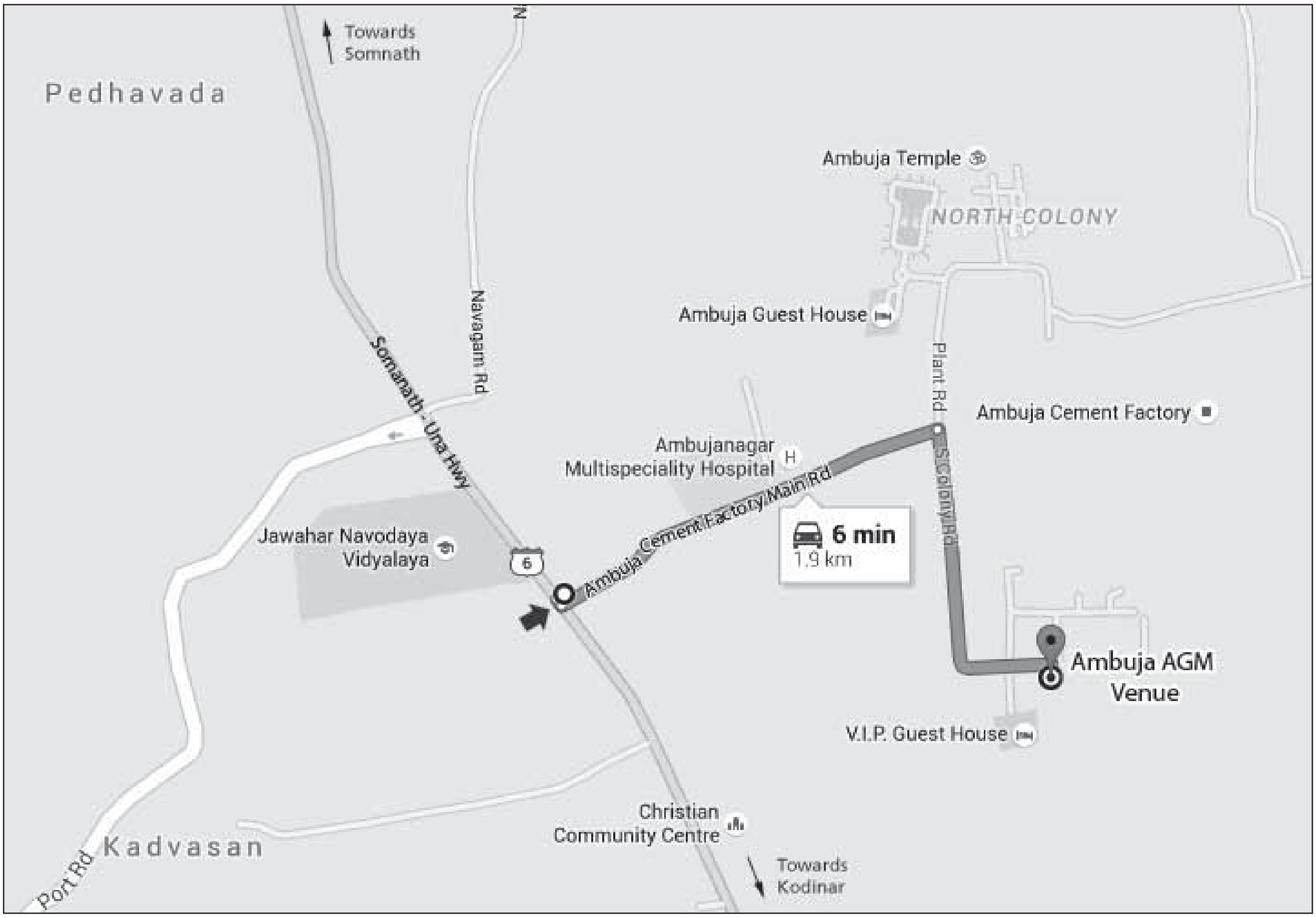
2. Veraval Railway station to Ambujanagar

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



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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 15th June, 2018 at 10.30 a.m.

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

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

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

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

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

TEAR HERE

TEAR HERE

Ambuja Cement

AMBUJA CEMENTS LIMITED

CIN L26942GJ1981PLC004717

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

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

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

PROXY FORM

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

Name of the Member(s) :...

Registered address : ....

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

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

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

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

or failing him

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

or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 15th June, 2018 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		5	
2		6	
3		7	
4		8	
		9	

Signed this .... day of 2018

Affix
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