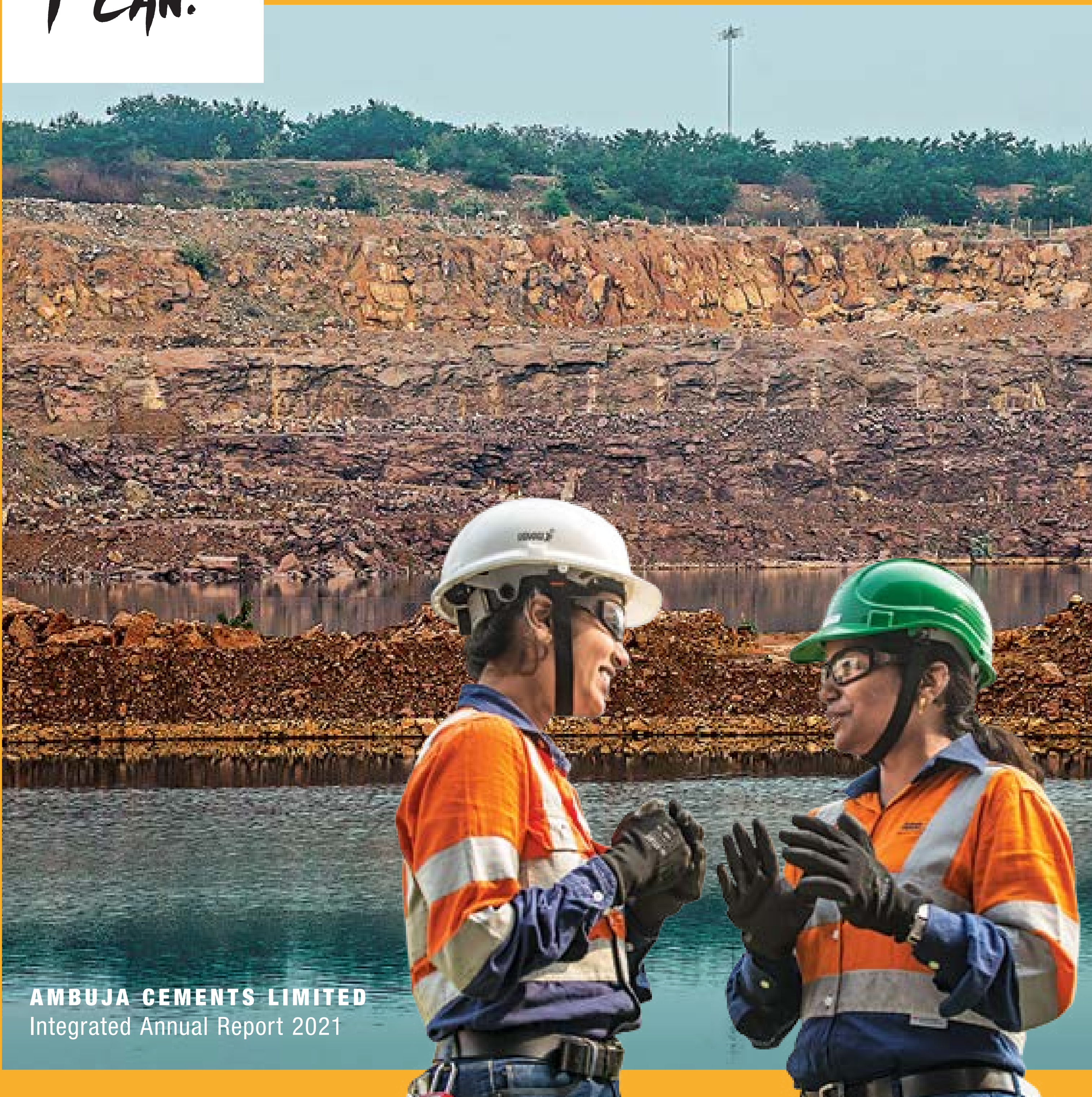
STRENGTH AND SUSTAINABILITY FOR A GREEN FUTURE.

Ambuja Cement
Giant Compressive Strength

I CAN.



AMBUJA CEMENTS LIMITED
Integrated Annual Report 2021

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

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Click here for Online Integrated report including the Notice of Annual General Meeting Secretarial Report and Financial Statements

LISTING

Bombay Stock Exchange (Scrip: 500425)
National Stock Exchange (Scrip: AMBUJACEM)
Market Cap: ₹74,968 crore (as on December 31, 2021)

CREATING VALUE FOR OUR STAKEHOLDERS

Read more **Page 22**

TRENDS AND TOPICS IMPACTING VALUE CREATION

Read more **Page 30**

CAPITAL-WISE PERFORMANCE

Read more **Page 42**

ABOUT THE REPORT

INTEGRATED REPORT 2021

Our second Integrated Report reflects our progress on an integrated management journey and reinforces our integrated thinking to forge a stronger connection between business, sustainability and finance. We also build on our stakeholders' feedback to improve our reports consistently.

This report includes information related to the value creation process of Ambuja Cement and outlines the Company's progress on its long-term strategies, governance, performance, and its efforts towards sustainability.

FRAMEWORKS, GUIDELINES AND STANDARDS

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

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

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

REPORTING SCOPE, BOUNDARY AND THE COMPANY'S VALUE CHAIN

The Integrated Report 2021 covers information on our business segments in India, along with associated activities that enable short, medium and long-term value creation. The report contains a detailed reference to sustainability initiatives undertaken by Ambuja Cement to address the material issues identified in an extensive stakeholder engagement and due diligence exercise carried out during early 2018. The engagement exercise included all relevant stakeholder groups and the topic boundary was defined with high-importance material topics. The aspect boundaries and content have been defined using reporting principles prescribed in the GRI Standards. The report covers all operations and businesses of Ambuja Cement that fall under its direct operational control. However, we welcome our readers' valuable feedback to further enrich the quality of our report.

COMPANY VALUE CHAIN

Input › Logistics › Manufacturing › Logistics › Marketing › Services-B2C › Use › Disposal

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

ASSURANCE STATEMENT

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

Third-party assurance statement

The non-financial disclosures of Ambuja Cements Limited's Integrated Report have been assured by TUV India Private Limited. The assurance report issued by TUV India Private Limited can be found on 116.

RATINGS AND STANDARDS

OUR STAKEHOLDERS

We engage periodically with our key stakeholders to understand their needs and interests, and align our strategies accordingly.

Key stakeholders

- Shareholders and investors
- Dealers
- Suppliers
- Customers
- Employees
- Community
- Construction professionals
- Industry associations

Read more **Page 32**

MATERIAL MATTERS

This report provides information on matters that we believe could have a significant influence on our ability to create and sustain value over the short, medium and long term.

Read more **Page 34**

SUSTAINABILITY TARGET

Sustainability remains our key focus area and we are continuously working towards addressing challenges around issues of climate and energy, environment, circular economy and community. We have developed carbon emissions reduction targets for 2030, which are validated by the Science Based Targets initiative (SBTi), to limit global warming below 2 degree Celsius.

Read more **Page 28**

OUR CAPITALS

Our capitals include the key inputs and relationships we require to carry out our business.

Financial capital
Read more **Page 44**

Social capital
Read more **Page 78**

Manufactured capital
Read more **Page 50**

Relationship capital
Read more **Page 88**

Intellectual capital
Read more **Page 60**

Human capital
Read more **Page 96**

Natural capital
Read more **Page 66**

PROGRESS REPORT 2021

Financial

NET SALES (₹ CRORE)
13,794
+23%

OPERATING EBITDA (₹ CRORE)
3,207
+21%

PROFIT AFTER TAX (₹ CRORE)*
2,081
+16%

EBITDA MARGIN (%)
23.3
-40 BPS

RETURN ON AVERAGE CAPITAL EMPLOYED (%)
13.10
+160 BPS

PROPOSED DIVIDEND PER SHARE (₹)
6.30

Read more Page **42**

Operational

CEMENT PRODUCTION (MNT)
25.89
+16%

CAPACITY UTILISATION (%)
86

AVERAGE REALISATION PER TONNE (₹)
5,105
+3.5%

SHARE OF SUSTAINABLE PRODUCTS IN TOTAL SALES (%)
89.5

NEW CAPACITY ADDED (MTPA)
1.8

Read more Page **48**

People, health and safety

NEW EMPLOYEES ADDED (%)

342*

*Of which 9% are women

SAFE ONSITE MAN-HOURS (MILLION)

101.8

REDUCTION IN LTIFR (/MILLION HOURS)

0.21

-24%

EMPLOYEE TRAINING MAN-HOURS

8

REDUCTION IN TOTAL ONSITE RECORDABLE INJURY (%)

21

Read more Page 94

Sustainability

WATER POSITIVITY

8X

CLINKER FACTOR (%)

63.00

+150 BPS

PLASTIC NEGATIVE

3.5X

WASTE CONSUMPTION (MT)

8.8

PEOPLE IMPACTED THROUGH COMMUNITY INTERVENTION PROGRAMMES (MILLION)

2.80

SPECIFIC NET CO_2 EMISSION (KG CO_2 PER TONNE OF CEMENTITIOUS MATERIALS)

528.8

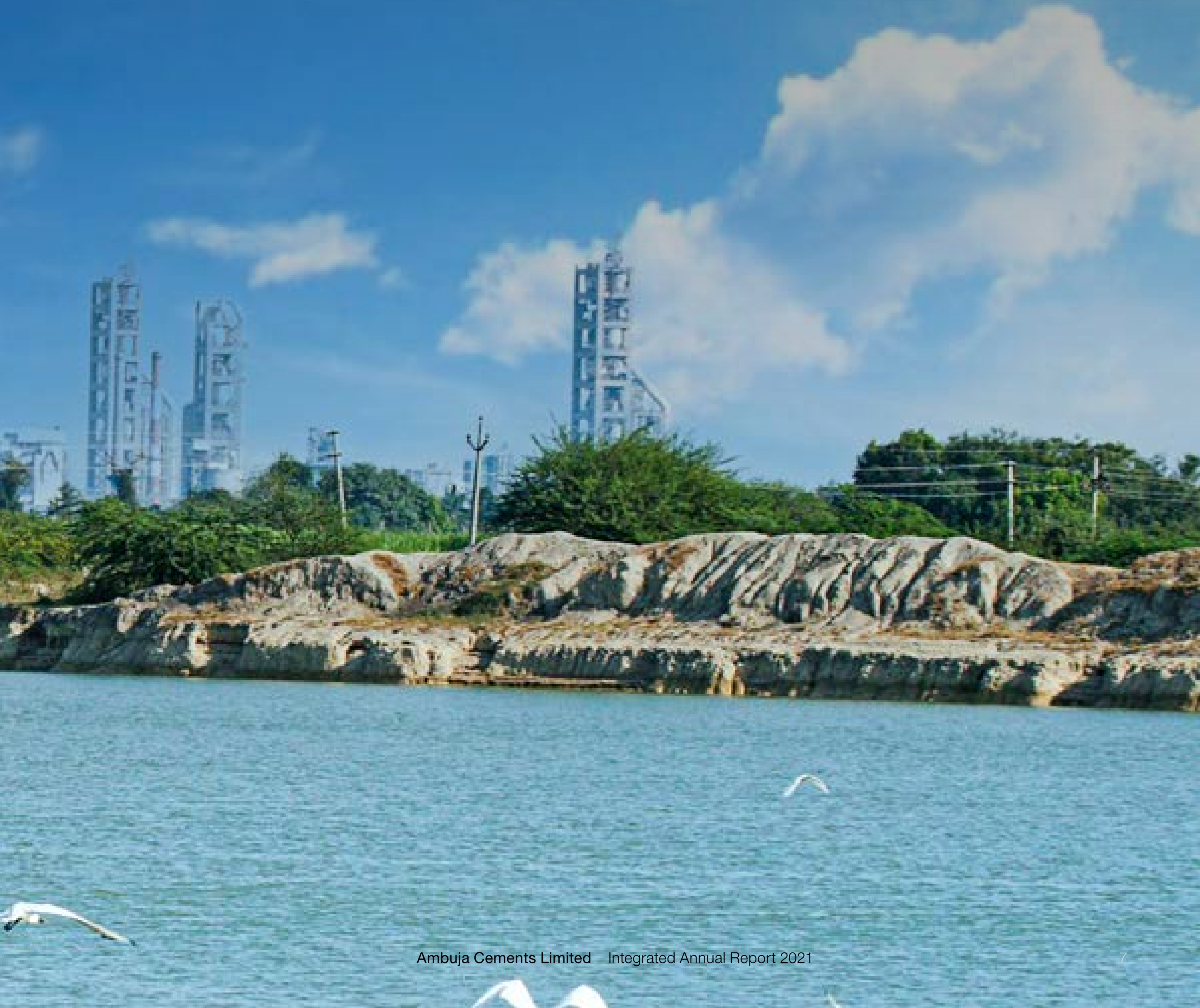
Read more Page 64

STRENGTH AND SUSTAINABILITY FOR A GREEN FUTURE

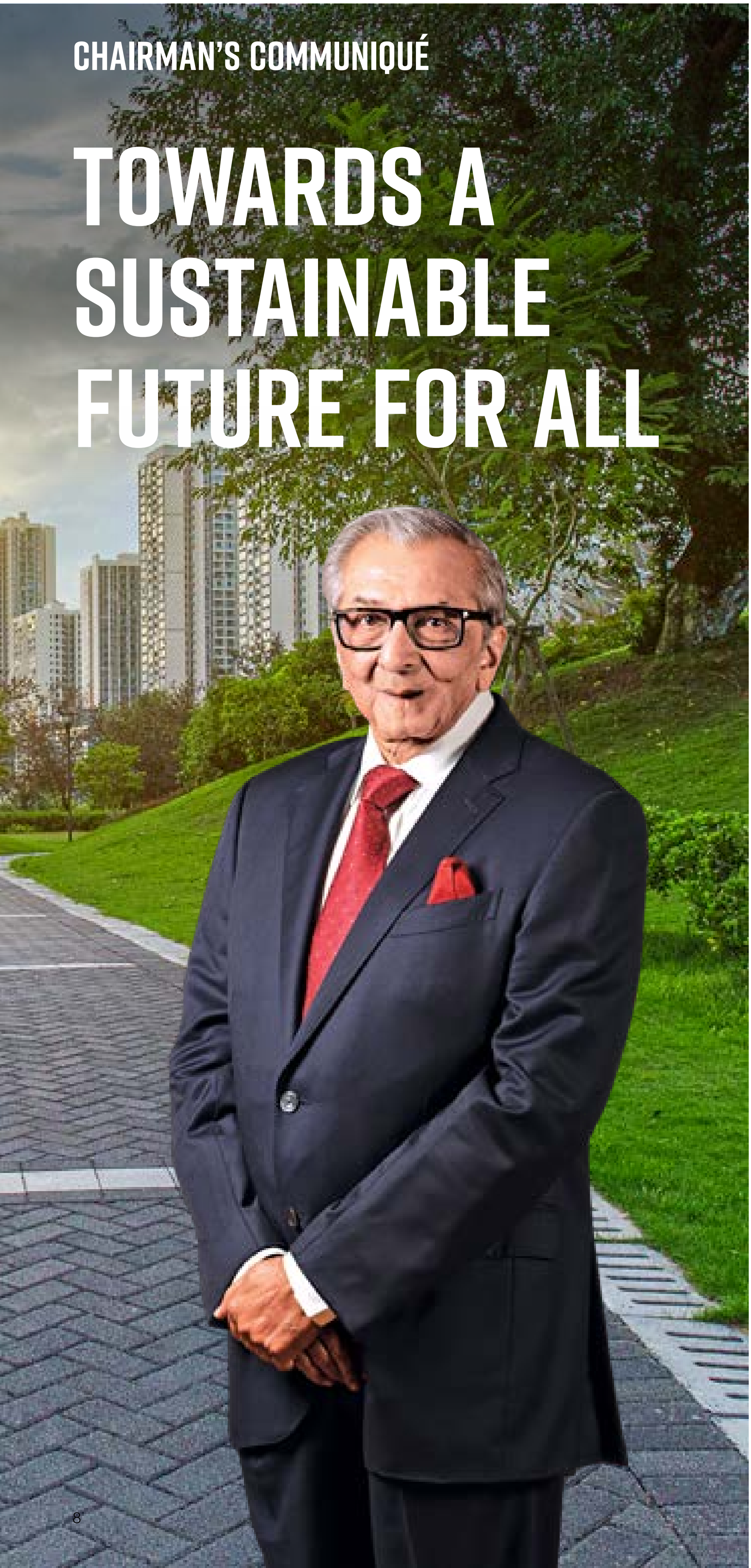
GREENING GROWTH IS THE ONLY WAY TO BUILD A SUSTAINABLE FUTURE. GUIDED BY THE BELIEF AND ALIGNED WITH THE GROUP STRATEGY OF 'ACCELERATING GREEN GROWTH', WE ARE CHANGING THE STORY OF FINDING SUSTAINABLE SOLUTIONS. ON ONE HAND, WE ARE EXPANDING OUR CAPACITIES TO ADDRESS THE GROWING NEEDS OF A FAST GROWING ECONOMY. ON THE OTHER, WE ARE FURTHER IMPROVING OUR OPERATIONAL EFFICIENCY WHILE CONTINUOUSLY LOWERING OUR CARBON FOOTPRINT.

At Ambuja Cement, we have deployed institutionalised mechanisms to monitor our environmental risks. As part of India's construction materials ecosystem, we are driving the industry discourse around developing sustainable products and solutions that contribute significantly to the global fight against climate change.

Deploying clean technology, converting industrial wastes to raw materials, conserving energy and increasing the share of green power in total energy consumption, we have laid out a clear glide path to achieving our ambitious sustainability targets. Our 2030 carbon emission reduction targets have been validated by the Science Based Targets initiative (SBTi). Our 2030 carbon emission reduction targets have been validated by the Science Based Targets initiative (SBTi), adding more credence to our concerted efforts to build a stronger and sustainable future.



TOWARDS A SUSTAINABLE FUTURE FOR ALL



DEAR STAKEHOLDERS,

At the onset, I would like to express my heartfelt gratitude to our frontline workers, whose untiring efforts at ensuring the safety and well-being of our employees and communities have allowed us to hold our heads high, and continue our operations without disruptions. Despite the challenges, we have been able to create sustained value for our stakeholders, and, as an industry frontrunner, retain our leadership position through improved production, cost and distribution efficiency, and sustainability initiatives.

For the cement industry in general, 2021 started on a robust note, with strong signs of demand recovery. However, the second wave of the pandemic disrupted the market, led by localised lockdowns and a dampened consumer sentiment. Further, the unprecedented hike in fuel prices created cost pressures. Demand was particularly impacted during the fourth quarter of 2021 by unexpected rains in different parts of the country, a ban on construction activities in the National Capital Region (NCR), and shortage of labour and sand.

Notwithstanding these challenges, your Company reported one of the best performances in the recent past, registering substantial growth across both financial and non-financial metrics. I join the Board in thanking the team for demonstrating resilience and agility and delivering on our set objectives. We registered a volume growth of 17% year-on-year. We strengthened our revenues by 23% while EBITDA and profit after tax reported a growth of 21% and 16%, respectively, over the previous year.

OUR MOMENT OF PRIDE

Equally noteworthy are the significant interventions made by the Ambuja Cement Foundation (ACF), our CSR arm, in tackling the fallout of the second wave on the health infrastructure and community well-being. Having meticulously mapped locations that saw a surge in cases, and thereby areas which were in critical need of oxygen, ACF went about methodically to distribute oxygen concentrators and cylinders. Not stopping at that, we set up oxygen plants at Dadri and Ambujanagar. ACF also trained community volunteers as CoviSainiks to provide help at hospitals and community clinics. We actively participated in furthering the government's immunisation mission, with ACF pitching in to help vaccinate more than 2.7 million community members.

This was also a remarkable year in terms of our commitment towards creating a sustainable future for all. Following the lead of the Holcim Group, we developed and had our 2030 carbon emission reduction targets validated by the Science Based Targets initiative (SBTi).

At Ambuja, we have consistently aimed at including sustainability in all our operational and project planning. This year as well, we continued to reduce our carbon footprint by lowering the clinker factor, reducing thermal and electrical energy intensity, while implementing Waste Heat Recovery Systems at our plants and increasing our use of and capacity of generating renewable energy.

At the same time, we remain committed to catering to the evolving requirements of our customers, enabling them to build more durable and sustainable structures with materials that are made sustainably.

OPPORTUNITIES AT HAND

We look at the future with unflagging enthusiasm. India continues to remain the second-largest cement producer in the world. The industry offers significant headroom for growth aided by low per capita consumption and a massive government push for infrastructure and affordable housing. The Union Budget 2022-23 saw a significant increase in proposed capital expenditure, vindicating the government's sustained focus on infrastructure. The Pradhan Mantri Awas Yojana's target of 8 million houses by 2023, will further push cement demand. The recovery in the real estate sector, backed by historically low interest rates, also augurs well for the industry. Furthermore, the e-commerce boom, which is spurring demand for warehouse space, data centres and energy storage systems, will attract more investment as they have been granted infrastructure status.

We are well-braced to meet the expanding demand. As part of our growth strategy, we are investing in the cement grinding expansion plan of 7 MTPA across locations, including in a greenfield project at Barh, Bihar. This will help us move closer to our target of achieving 50 MTPA capacity (presently at 31.45 MTPA) in the near future. Further, we are increasing our presence in existing and new markets through our strong distribution network and dealer partnerships.

OUR FOCUS AREAS

We aim to grow sustainably and meaningfully. This year saw us launch our new strategy aligned with the Holcim Group's strategy of 'Accelerating Green Growth'. Our own strategy to expand market presence while being one of the most efficient cement manufacturers with sustainability at the core of everything we do, mirrors the Group strategy. Our belief that green growth is the only way to grow sustainably is not new. Environmental consciousness is good for both the planet and for business. Our own experience over the years has established this beyond doubt. Our sustainability vision has had a direct beneficial impact on the bottom line, helping the premiumisation of our offering and enhancement of our product mix with sustainably manufactured products.

We are consolidating our sustainability leadership by investing in our Plants of Tomorrow program that will accelerate our transition to digital plants. This path-breaking project will lead to transformative outcomes not just in terms of operational and financial gains but also in making cement manufacturing in the country environmentally sustainable while creating a safe work environment for our colleagues across our plants.

OUR LARGER COMMITMENT

Since inception, we have built trust in Brand Ambuja by ensuring consistency in quality and reliability of service. This is perhaps the most valuable asset we have created over the years, and this is what we hold most dear to us. We pledge to strengthen this trust by not only delivering on our promise of providing our customers innovative and sustainable building solutions, but also ensuring that the construction sector takes the lead in building a stronger and greener India. Notwithstanding the temporary headwinds the industry may face, we are strongly committed to this goal. Together with ACC Limited, we have begun cleaning India's river waters of plastic. The coming days will see us explore such initiatives more through partnerships with like-minded institutions and individuals while continuing to drive our CSR efforts towards promoting inclusive development.

On behalf of the Board of Directors, I would like to thank our stakeholders for their continued trust in us. We will continue to draw inspiration from your support to take on new challenges.

Warm regards,

N.S. Sekhsaria

N.S. SEKHSARIA
Chairman and Principal Founder

VISION

TO BE THE MOST SUSTAINABLE AND COMPETITIVE COMPANY IN OUR INDUSTRY

MISSION

DELIGHTED CUSTOMERS

INSPIRED EMPLOYEES

ENLIGHTENED PARTNERS

ENERGISED SOCIETY

LOYAL SHAREHOLDERS

HEALTHY ENVIRONMENT

LEADING WITH SUSTAINABILITY AND INNOVATION

Established in 1983, Ambuja Cement is India's foremost cement manufacturer and an indispensable part of aspirational India's growth story. With our scale, reach, ingenuity and I Can spirit, we have transformed the face of the industry and continue to do so with our emphasis on responsible manufacturing and sustainable development.

Our six integrated manufacturing units, eight strategically located grinding units and a network of more than 50,000 channel partners help us cater to the northern, western, central and eastern markets of the country and continue our growth momentum.

Our majority shareholder is Switzerland-based Holcim, a global leader in innovation and sustainable building solutions, operating with 70,000+ people across 70+ countries in the world. The Global Depositary Receipts (GRDs) issued by Ambuja Cement are listed on the Luxembourg Stock Exchange.

Our superior quality products are targeted at providing hassle-free home building experiences for our customers which, in turn, helps build durable relationships.

We are an industry leader in sustainability practices including responsible use of materials, continuous reduction in emissions and a greater focus on circular economy. Our robust policies help us uphold the highest standards of corporate governance. Our Corporate Social Responsibility (CSR) arm, the Ambuja Cement Foundation, works tirelessly in developing the communities around our plants.

A QUICK GLANCE

INTEGRATED MANUFACTURING UNITS 6	GRINDING UNITS 8	CUMULATIVE MANUFACTURING CAPACITY (MTPA) 31.45
BULK CEMENT TERMINALS 5	EMPLOYEES 4,723	SHARE OF BLENDED CEMENT >89%

As on December 31, 2021

CORPORATE STRUCTURE

Holcim Ltd.
Parent company

HOLCIM

www.holcim.com

Global Cement Excellence

Ambuja Cement

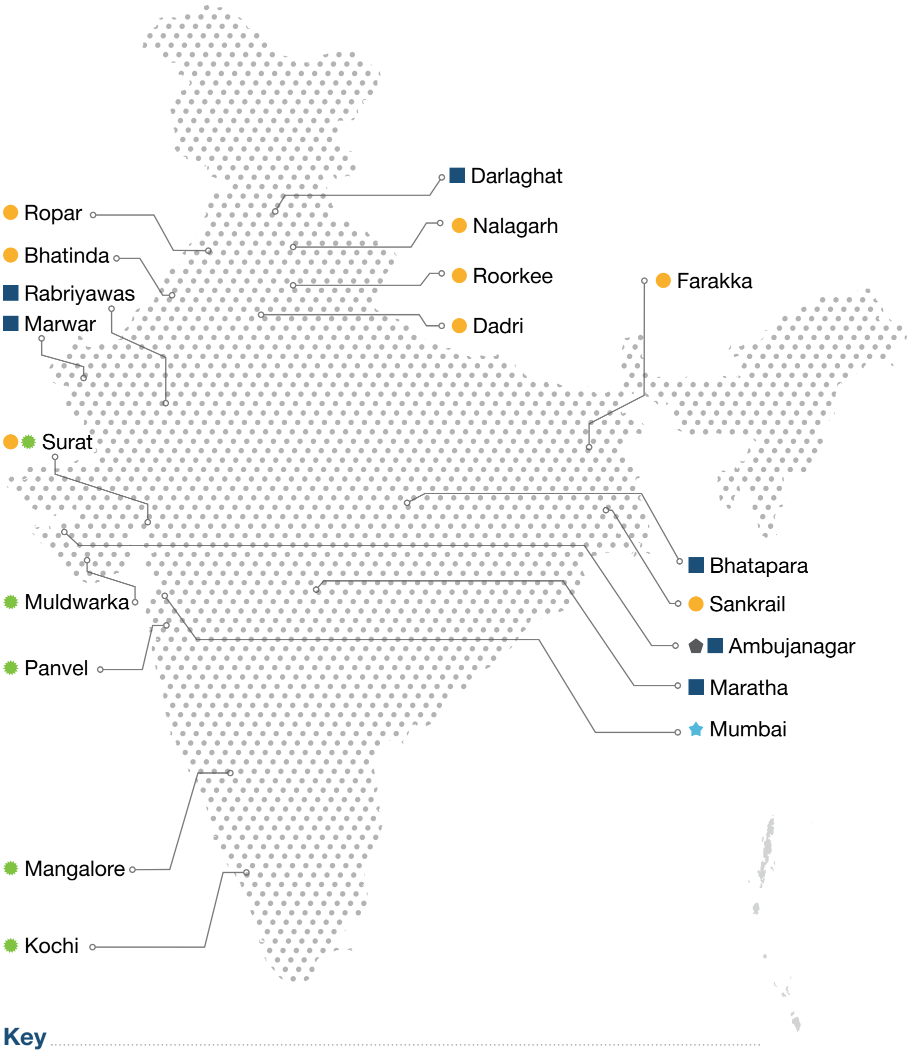
Ambuja Cement Foundation (ACF)

Developing communities in 50 districts across 11 states

geocycle
For a zero-waste future

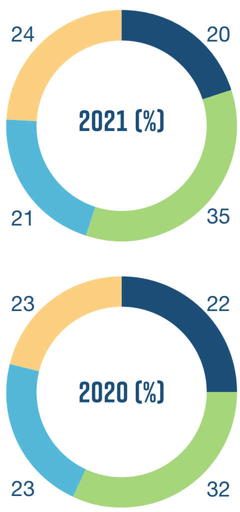
Global expertise in waste management

PRESENCE



Key
Integrated cement plants · Grinding units · Bulk cement terminals · Head/Corporate office · Registered office

REGION-WISE REVENUE SHARE



Regions
North-west · North · East · West-south

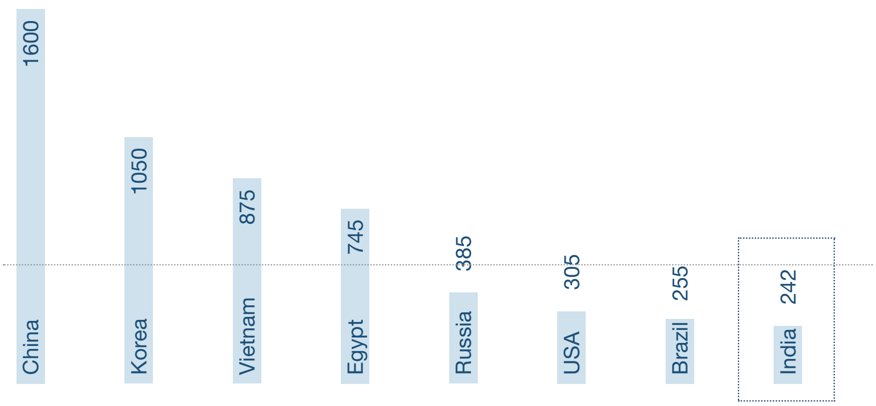
INVESTMENT CASE

SETTING US APART

Solid macro and market fundamentals

- Stable government and progressive economic policies to drive strong Gross Domestic Product (GDP) growth of ~7.0% per annum in medium to long term
- India is a high growth attractive cement market, with a low annual per capita consumption of ~242 kg against a global average of 525 kg
- Rising urbanisation is expected to reach 40% by 2030 – additional 113 million people in cities by 2030 (Source: Fitch Solutions; United Nations report on World Urbanization Prospects 2018)
- Indian cement industry scores high on sustainability metrics

INDIA'S PER CAPITA CEMENT CONSUMPTION REFLECTS STRONG HEADROOM FOR GROWTH PER CAPITA CEMENT CONSUMPTION (KG)



Source: CRISIL Research

Robust financials

- Superior operating performance has helped strengthen financial performance
- Net sales for the year stood at ₹13,794 crore while operating EBITDA stood at ₹3,207 crore
- Reported a strong RoCE of 13.10%
- Debt-free balance sheet with cash and liquid investments of ₹3,985 crore
- ₹1,251 crore proposed dividend for the year

RETURN ON CAPITAL EMPLOYED (%)

2021	13.1
2020	11.5
2019	9.2
2018	7.6

Sustainability leadership

- Enhancing share of green power in overall portfolio through significant investments in Waste Heat Recovery System (WHRS) and solar power plants
- Aligned with Holcim's sustainability commitment of becoming a Net Zero company with focus on climate change, water consumption, circular economy and community development
- Developed and validated our 2030 carbon emission reduction targets by the Science Based Targets initiative (SBTi)
- The SBTi has classified our scope 1 and 2 target ambition and has determined that it is in line with a well-below 2°C trajectory.

WATER CONSUMED IN CEMENT OPERATIONS AND RECYCLED (MN M^3)

2021	16.2
2020	13
2019	14.5
2018	14.8

Expansion road map in place

- Commissioning of Marwar integrated plant helped increase our clinker capacity by 3 MTPA and cement manufacturing by 1.8 MTPA
- Brownfield expansion of 1.5 MTPA at Ropar in Punjab by 2023
- Further expansions are planned in Eastern and Western India with various debottlenecking initiatives to reach a capacity of 50 mn tonnes in mid-term

Enriching product portfolio

- Our wide portfolio of trusted brands spans across diverse cement and concrete categories comprising more than 89% of blended cements; suited to various climatic conditions, the products meet the diverse needs of our customers
- Extended the portfolio to include other sustainable and innovative building materials

12%
Share of premium products as percentage of total sales

Enhancing efficiency

- Increasing operational efficiency through the implementation of digital tools and automation across plants
- Leveraging Master Supply Agreement with ACC and improving profitability
- Undertaking important cost optimisation initiatives in the areas of captive fuel security and rail infrastructure
- Use of technology in logistics helping optimise operating cost

EBITDA PER TONNE (₹)

2021	1,187
2020	1,168
2019	893
2018	780

DEMONSTRATING THE STRENGTH OF OUR RESOLVE

"The resilience demonstrated by the team is the true embodiment of our I Can spirit. The 'Green' plant at Marwar is key to our strategic plan of strengthening our competitive position, especially in Northern Indian markets, and managing operations with improved efficiency"

DEAR STAKEHOLDERS,

The year 2021 was a study in contrast for the Indian economy and the cement industry. While the government's continued policy push for infrastructure and affordable housing bode well for a strong rebound in demand, the onset of a more severe second wave in the second quarter, the extended monsoon and rising input cost in the fourth quarter, partially offset the gains. The robust rollout of the world's largest immunisation programme provided a boost to sentiments.

A YEAR OF ALL-ROUND PERFORMANCE

The volatile external environment notwithstanding, we delivered a robust set of numbers for 2021 across operational and financial metrics. We clocked our highest ever annual sales volume. Net sales grew 23% y-o-y to ₹13,794 crore, further aided by a favourable product mix. Operating EBIT stood at ₹2,656 crore, up 25% y-o-y, while profit after tax rose 16% y-o-y to ₹2,081 crore. However, margins came under pressure due to the increase in input costs. The operating EBITDA margin declined 40 bps while net profit margin declined 90 bps.

STRONGER FOCUS ON PRIORITY AREAS

Despite restricted mobility of manpower and materials, the on-time commissioning of our hi-tech Marwar plant in September 2021 speaks volumes about the grit and determination of our people. The resilience demonstrated by the team is the true embodiment of our I Can spirit. The 'Green' plant is key to our strategic plan of strengthening our competitive position, especially in northern Indian markets, and managing operations with improved efficiency.

Digitalisation remains our key focus area and will continue to shape the way we operate – from running the plants and managing logistics and supply chain, to market and customer connect. Our objective is to effectively predict demand fluctuations, schedule maintenance, improve logistics and transportation capabilities. Under the Plants of Tomorrow initiative, being implemented across units, we expect to enhance operational efficiency significantly in comparison to conventional cement plants.

STRENGTH AND SUSTAINABILITY

I am particularly happy to report a major development on the ESG front. We became the first cement company globally to make it to the 'A' list of CDP 2021 for water security, a testimony to our water stewardship. We intend to become a carbon-neutral building materials and construction solutions business by 2050. Accordingly, we are investing in a whole range of sustainability initiatives – from Waste Heat Recovery System (WHRS) to clinker factor reduction, energy efficiency (thermal and electrical), and the use of renewable energy, especially waste-derived resources/ alternative fuels. The positive changes made through our sustainability efforts positioned us 5th in the Dow Jones Sustainability Index (DJSI) 2021 among construction materials companies globally.

During the year, we had our 2030 carbon emission reduction targets validated by the Science Based Targets initiative (SBTi) and it is in line with a ‘well-below’ 2°C trajectory. What this means is that we have committed to reducing our Scope 1 and Scope 2 GHG emissions by 21% per tonne of cementitious materials by 2030 from the 2020 base year.

It is imperative for us to push the decarbonisation agenda. Today, we have the knowledge and the means to combat climate change. It is no longer about what we can do, but what we must do. At Ambuja, that is what we are doing. From mining for raw materials to shipping finished products, we are approaching every part of our operations from the sustainability lens. This is because we believe in profit and purpose, not profit or purpose. Business growth and sustainability can go together when there is consensus and commitment across the company, the industry, and society at large. We are targeting to achieve that.

UNVEILING THE NEXT PHASE OF EXPANSION

We are extremely upbeat about the prospects of the Indian cement industry. The industry is coming out of a challenging phase triggered by the pandemic, but we expect to see a lot of tailwinds going forward, particularly from the housing sector and public spending on infrastructure. The long-term industry fundamentals remain unchanged, and cement will continue to play a pivotal role in shaping the India growth story. To better capitalise on the emerging growth opportunities, we have embarked on our next phase of capacity expansion with a 3.2 MTPA brownfield clinker capacity in Bhatapara and cement grinding units with a total capacity of 7 MTPA in Farakka and Sankrail (existing units), and Barh (new greenfield location). The estimated capex for these projects is ₹3,500 crore.

REWRITING THE STORY OF SUSTAINABILITY

Under Holcim, one of the largest cement manufacturing groups in the world, we believe that tomorrow’s solutions cannot be designed on yesterday’s problem statements. To mainstream sustainability and effect impactful change for the benefit of the planet and its people, we have launched the ‘Change The Story’ platform. It showcases technology-led solutions that take us closer to realising our vision of a better tomorrow.

To begin with, we have taken the responsibility of addressing the pressing challenge of plastic pollution in India’s rivers. Using the ‘bubble curtain’ technology, the pilot project at Yamuna River (Mantola canal) in Agra is expected to remove 2,400 tonnes of plastic waste. Such bubble barriers can be extended to other rivers across the country.

OPTIMISM

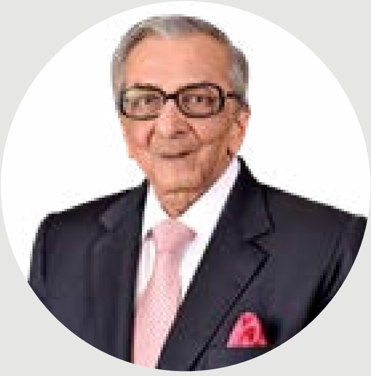
At Ambuja, we will continue to focus on resource conservation, utilising green/ clean energy sources, driving energy efficiency in all our plants and building an inclusive and equitable world. We are on the cusp of exciting change, and we are happy to play our role in strengthening the nation’s ambitions while contributing to the concerted global efforts to create a sustainable future. I thank you all for being part of this exciting journey.

Warm regards,

NEERAJ AKHOURY
Managing Director and CEO

> “I am particularly happy to report a major development on the ESG front. We became the first cement company globally to make it to the ‘A’ list of CDP 2021 for water security, a testimony to our water stewardship”

BOARD OF DIRECTORS



MR. N.S. SEKHSARIA
Chairman and Principal Founder
C M M

MR. JAN JENISCH
Vice Chairman

MR. NASSER MUNJEE
Independent Director
C C M M M M

MR. RAJENDRA CHITALE
Independent Director
C C M M

MR. SHAILESH HARIBHAKTI
Independent Director
M M M

DR. OMKAR GOSWAMI
Independent Director
M M M M

MS. SHIKHA SHARMA
Independent Director
M M

MR. CHRISTOF HASSIG
Director

MR. MARTIN KRIEGNER
Director
M M M C

MS. THEN HWEE TAN
Director
M

MR. MAHENDRA KUMAR SHARMA
Director
M M

MR. RANJIT G. SHAHANI
Director
C M

MR. PRAVEEN KUMAR MOLRI
Director

MR. RAMANATHAN MUTHU
Director

MR. NEERAJ AKHOURY
Managing Director & CEO
M M M M M

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

LEADERSHIP TEAM

MR. NEERAJ AKHOURY
Managing Director & Chief Executive Officer

MS. RAJANI KESARI
Chief Financial Officer

MR. SUKURU RAMARAO
Chief Manufacturing Officer

MR. RAJIV KUMAR
Chief Commercial Officer

MR. SURESH RATHI
Head - Raw Material, Fuel and Logistics

MR. RAHUL MAITRA
Chief Human Resource Officer

MR. MANOJ CHHURA
Chief Procurement Officer

LIVING THE SPIRIT OF I CAN.

New connections discovered. What old routes overlooked.

Read more **Page 42**

When a stream of positivity flows, every drop matters

Read more **Page 76**

We paused to prepare better. And then surged ahead to achieve.

Read more **Page 48**

We built a Darpan (mirror) that reflects capabilities

Read more **Page 86**

We built a shield that let's only smiles seep through

Read more **Page 58**

We need to keep some silos intact, with teamwork

Read more **Page 94**

Concrete steps to reduce carbon footprint

Read more **Page 64**

VALUE CREATION PROCESS

The strength of our vision, mission and sound value system support our value creation process. An efficient leveraging of our capitals enable us to create enduring value for our stakeholders.

GROWING TO THE BENEFIT OF ALL

Operating context

The environment in which we operate impacts our ability to create stakeholder value

Read more **Page 30**

Stakeholder engagement

We have a wide range of stakeholders, participating in our shared value creation through a range of engagements and relationships

Read more **Page 32**

Risks and opportunities

The future presents risks and opportunities, impacting the delivery of value to our stakeholders

Read more **Page 38**

Governance

Our governance framework supports our value creation process, ensuring our business decisions are aligned with our vision, mission, values and strategic priorities while maintaining ethics, integrity and transparency

Our material issues create opportunities or restrict the ability of our value creation

Risk and opportunity management

Resource allocation and trade-offs

THE VALUE WE CREATE

Performance management

Strategic priorities

Our strategic priorities outline the way we intend to achieve our medium- and long-term goals

Read more **Page 26**

Business model

Our robust business model with an integrated value chain helps us respond to dynamic business environment with agility

Read more **Page 24**

Sustainability pillars

The sustainability pillars underpin our strategy and help us in operating in a responsible manner

Read more **Page 28**

Review and adopt

For our customers

- High quality products and solutions aiding robust construction
- Timely delivery

For our employees

- Providing employment and opportunities for growth and development
- Diverse and inclusive work environment, free of discrimination

For our communities

- Contribution to society through engagement with communities where we operate
- Responsible management of impact of our operations on the environment

For our investors

- Sustainable returns to our shareholders
- Timely debt servicing

For our supplier partners

- Boosting local economy through localised procurement
- Collaboration and partnering opportunities

For the government

- Contribution to the government exchequer through timely tax payment

BUSINESS MODEL

INPUT CAPITALS

Financial capital

22,207
Net worth (₹ crore)

47
Debt (₹ crore)

Manufactured capital

6
Integrated plants

8
Grinding units

5
Bulk cement terminals

5
Captive power plants

Intellectual capital

Continuous investments in innovation

Natural capital

1,474
Energy intensity (MWh/Cr)

58
Specific water consumption (lit/t cement)

13.6
Capital spend on environment (₹ crore)

Social capital

64.41
CSR spend (₹ crore)

Relationship capital

55,000
Active channel partners

Human capital

4,723
On-roll employees

678
Employee benefit expenditure (₹ crore)

8
Total hour of employee trainings (hours/employee)

PROCESS

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

Mission
To create value for all

Delighted Customers

Inspired Employees

Collaboration and Trust

Customers

Agility and simplicity

Results

I CAN.
Culture

Integrity

Business Activities

Inbound Logistics

Ensuring raw material security

Operations

Mining

Cement Grinding and Storage

Reinitiating demand

Outbound Logistics

Marketing and Sales

Services

Long-term strategic objectives

Accelerating growth

Expanding solutions and products

EXTERNAL DRIVERS

Economic growth

Government initiatives

Competition

Enlightened Partners
Healthy Environment
Loyal Shareholders

Sustainability
Empowerment accountability and transparency
People

Demonetisation impact

Raw Material Extraction
Drying and Grinding of Raw Meal
Clinkerisation
Administrative burden
Taxation

Delivering superior performance
Leading in sustainability

Read more **Page 26**

OUTPUTS

17.40
Clinker production
(mn tonnes)

25.89
Cement production
(mn tonnes)

22.35
Blended cement production
(mn tonnes)

1,285
Captive power generated
(mn units)

26.50
Cement sales
(mn tonnes)

OUTCOMES

Financial capital

13,794	3,207	2,081	2,466
Net sales (₹ crore)	EBITDA (₹ crore)	PAT (₹ crore)	Cash flow from operations (₹ crore)

Manufactured capital

86%
Cement Capacity Utilisation (%)

Intellectual capital

17%
Share of revenue from special products

Natural capital

8.6	528.8	72.8	596
Waste co-processed (mn tonnes)	CO_2 emission (kg CO_2/ tonne of cementitious material)	SOx emission (g/ton of cementitious material)	NOx emission (g/ton of cementitious material)

17.3	15
Dust emission (g/ton of cementitious material)	Water recycled (%)

Social capital

2.8
Lives touched through CSR initiatives (million)

Relationship capital

33,665	81	53,000+
New contractors enrolled on Abhimaan in 2021	Net Promoter Score (%)	Customers connected through digital platforms during the lockdown

Human capital

0.21	2.84%
Lost time injury (per million hrs)	Share of women in workforce (%)

Regulatory compliance Technology advancements Climate change advancements

SHAPING OUR FUTURE COURSE

Aligned with the growth strategy of our parent company and rooted in our robust vision, our strategy has been designed to capitalise on emerging opportunities and ensure that we emerge more profitable, responsible and beneficial for our stakeholders.

	Focus areas	Resource allocation in 2021
Accelerating growth	To expand capacity and strengthen market position in core markets through low cost brownfields and greenfields	Spent towards capex **₹580 CRORE**
Leading in sustainability and innovation	Reinforcing our leadership by conducting business in a sustainable and inclusive manner along with the introduction of responsible products	Environment related spending **₹154 CRORE**
Delivering superior performance	Ensuring superior performance of our existing portfolio through premium variants, cost efficiency projects, enhancing our people capabilities and digitalisation of systems and processes	Employee benefit expenses **₹678 CRORE**
Expanding solutions and products	Continuing to scale up volume and revenue and strengthen our position in products and solutions segments	Continuous investments in innovation

VISION

TO BE THE MOST SUSTAINABLE AND COMPETITIVE COMPANY IN OUR INDUSTRY

Progress in 2021	Linkage to material issues	Key risks impacting strategy
– Commissioned 3.0 MTPA clinker and 1.8 MTPA cement greenfield integrated unit at Marwar September 2021 – Finalised on brownfield expansion of 1.5 mn tonne cement at existing plant in Ropar, Punjab	– Economic performance – Sustainable development	– Elevated global energy prices and supply chain disruptions – Macro instability due to geo-political shocks
– 2.7 million community members vaccinated – Waste heat recovery projects in progress across plants – Emerged as **8X** water positive	– Greenhouse Gas (GHG) emissions and climate change – Air emissions, Waste management, Circular economy (AFR) – Sourcing of water – Biodiversity – Corporate Social Responsibility	– Climate change – Policies and regulations – Product responsibility – Local communities
– Share of premium products in revenue increased **170 BPS** – Per tonne cost increased by **3.4%** – **8** man-hours of training provided for employee development	– Economic performance – Attraction and retention of talent	– Inflation – Cyber security – Employee retention
– Share of revenue from special products **17%**	– Customer satisfaction – Sustainable constructions	– Product innovation – Market acceptance

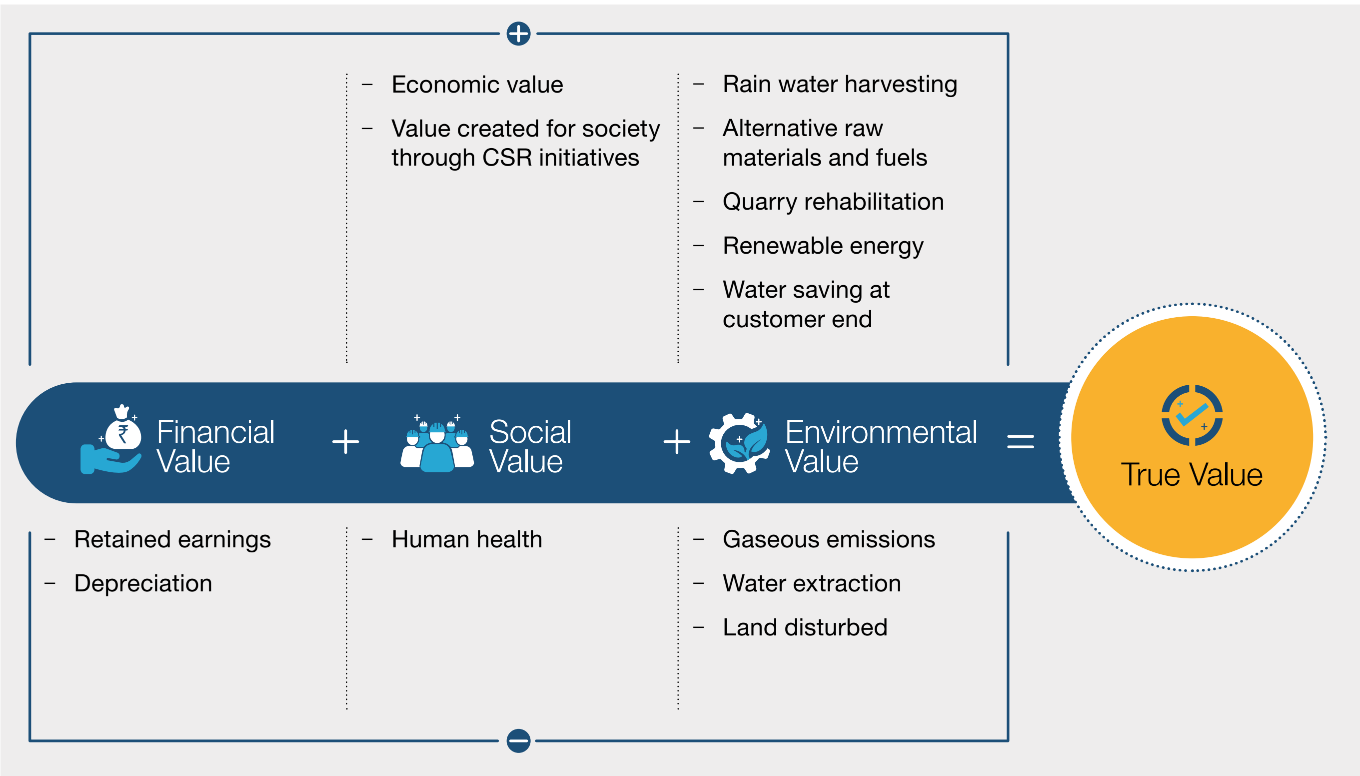
BLUEPRINT FOR GREEN GROWTH

At Ambuja Cement, we have always embedded social and environmental considerations into our operations and decision-making, which has strengthened our competitive edge. Our distinctive approach to sustainability enables us to measure the impact we are creating on society and the environment and calibrate our business operations and actions accordingly. We scrupulously map our progress along set targets and report on our non-financial impact.

TRUE VALUE APPROACH

We have set an industry benchmark by adopting the True Value approach, or the triple bottom-line accounting method, which encompasses the three pillars of sustainability—people, planet and profit—and emerged as the most competitive and sustainable cement company in the country. This is because True Value has helped us take strategic business decisions based on a qualitative measurement of the Company's impact on the environment and society. We have been able to identify a portfolio of cost-effective projects, reduce costs, increase earnings and subsequently increase 'true value' for our stakeholders.

We reported incremental growth in 'true value' over the years driven by our sustainable environmental and social interventions and backed by our robust economic growth. We are looking forward to standardising our True Value processes by working with the relevant stakeholders.



In line with 'Well-below 2°C trajectory'

To further our sustainability agenda, we have also developed and validated our 2030 carbon emission reduction targets by the SBTi, in alignment with the required reductions to limit global warming to well below 2°C. We are committed to reducing Scope 1 and Scope 2 GHG emissions by 21% per tonne of cementitious materials by 2030 from a 2020 base year. With this target, Ambuja Cement commits to reduce Scope 1 GHG emissions by 20% per ton of cementitious material and Scope 2 GHG emissions by 43% per ton of cementitious materials in this timeframe.

SUSTAINABLE DEVELOPMENT PLAN 2030

Our Sustainable Development Ambition provides a broad framework to undertake strategic interventions in order to meet challenges across four thematic areas – Climate and Energy, Circular Economy, Water & Nature and People & Communities.

	Climate and Energy	Circular Economy	Water & Nature	People & Communities
Lead metrics	**CO_2 Reduced** (kg CO_2/t of cementitious material)	**WASTE Re-used** (million tonnes)	**WATER Saved** (Fresh water consumption: L/t of cementitious material)	**VALUE Shared** (million beneficiaries)
Performance 2021	528.8	8.6	58	2.8
Target 2030	453 (excluding CPP)	21	62	3.5
SDGs linked	13 CLIMATE ACTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	6 CLEAN WATER AND SANITATION	11 SUSTAINABLE CITIES AND COMMUNITIES

OPERATING CONTEXT

READY TO SEIZE EMERGING OPPORTUNITIES

As a leading cement manufacturer, we are aware of the need to remain nimble-footed while navigating a dynamic external environment, which has turned more complex following the global health crisis. Yet, the industry's growth potential in India remains intact. We are well-positioned to capture this demand and help the industry restructure its footprint.

Key trends impacting the Indian cement sector

Urbanisation

Rapid urbanisation driving demand for urban homes

Demography

A young population driving urbanisation

Better standard of living

Increased demand for better living standards and more effective infrastructure

Affordable housing

Thrust on Affordable Housing schemes from the government

Rural income growth

Focused initiatives to drive rural income has broadbased the sectoral growth

Infrastructure push

Increased budgetary outlay to continuously drive infrastructure sector in the country

Detailed discussion on **Page 78**

UNDERSTANDING OUR STAKEHOLDERS

STAKEHOLDERS	HOW WE ENGAGE
Shareholders/ investors	Through our investor relations arm and various communication channels including annual report, quarterly releases and investor calls, we engage with our shareholders and investors. Key concerns are shared with the Board
Dealers/Channel partners	We engage with our dealers through channel satisfaction surveys, annual conferences, meetings and marketing meets
Suppliers	We hold regular supplier meets, periodic assessments and interactions to ensure a transparent procurement system, address suppliers' grievances, expand network and reduce their risks
Customers	We engage with our customers through technical services team camps, workshops, seminars and site visits
Employees	We regularly undertake employee engagement surveys, hold function specific meetings, and engage with our employees through internal newsletters and magazines, townhalls and events
Community	Through the Ambuja Cement Foundation, the Community Advisory Panel continues the positive engagement with communities for sustainable mining, water conservation, land reclamation, and health and safety of stakeholders in operations and logistics
Government and regulatory agencies	We hold periodic meetings with respective regulatory agencies and communications on proposed legislations
Construction professionals	We engage with construction professionals through Ambuja Knowledge Centres for right product selection, knowledge dissemination on good construction, product quality and applicability
Industry associations	We interact with industry associations through meetings, policy papers, conferences to highlight issues faced by the Company/ industry, need for policy interventions, policy advocacy on sustainable development practices in the value chain

Strong stakeholder relationships help us to communicate our business decisions, activities and performance to our stakeholders and provide us the opportunity to co-create effective and lasting solutions for our business and other challenges.

IDENTIFICATION AND PRIORITISATION OF STAKEHOLDERS

The following factors helped in identification and prioritisation of key stakeholders:

- Stakeholders directly/ indirectly impacted or influenced by business activities
- Stakeholder inclusivity
- Business dependency and criticality of the stakeholder
- Identification by senior management from different functional areas
- Peer companies' stakeholders

FREQUENCY	COMPANY RESPONSE
One-on-one shareholder interaction when requested	– Collaborated with different stakeholders to promote sustainable products – Positive vibrations in the Indian economy and government initiatives driving cement demand – Deployed innovative approaches to encourage cost savings
– Once in two years (survey) – Annual/continuous process	– Various engagement activities and feedback mechanisms are conducted to measure and monitor channel partner satisfaction [Net Promoter Score (NPS) and Satmetrix, among others]
Spread across the year	– Systematic efforts are made to build and maintain long-term relations – Regular focused group approach is followed to strengthen supplier relationships, listen to and address transporters' concerns – Handholding is provided for vendor development through our supplier assessment practice
Spread across the year	– Developing sustainable products and services that reduce energy and other resource consumptions for the customer. This will also lead to increased customer satisfaction and retention, alongside enhanced brand image – Create great value for our customers and end-users through knowledge sharing initiatives
– Once in two years (survey) – Continuous process/ quarterly/monthly	– Various safety awareness programmes – Training programmes conducted to nurture leadership at all levels – Transformational initiatives like 'I Can' drives the right mindset in the Company's leadership
Continuous process	– Our Skill & Entrepreneurship Development Institutes (SEDIs) foster self-employment and livelihood development – Water conservation projects, land reclamation and biodiversity action plans – An Social Return on Investment (SROI) study of development interventions was conducted in core villages of Bhatapara, Chhattisgarh by Confederation of Indian Industries (CII) Centre of Excellence for Sustainable Development with the overall SROI revealed at ₹9.7 for every ₹1 spent
Continuous process	– Ensured compliance in all areas – New emission control equipment is installed to comply with standards for the cement sector in India – Product innovation and BIS certification are proactively followed
Continuous process	– Providing regular training to construction professionals – Staying connected through our digital platforms with construction professionals to discuss various technical and practical upgrades in the sector
Need-based	– Through industry associations, we discussed various sector-specific issues on sustainability topics like carbon emission reduction, new groundwater guidelines, and other environmental regulations. We also submitted our representations to government authorities through these associations

MATERIALITY ASSESSMENT

MATERIAL PRIORITIES FOR OUR BUSINESS

Through a comprehensive materiality assessment, we identify, assess and understand the financial and non-financial issues that impact our business and the process by which we create long-term value for our stakeholders. These issues are integral to our planning process and help support the delivery of our business strategy.

We engage in a comprehensive stakeholder engagement exercise, based on a well-defined, closed-loop approach. This includes identification of stakeholders, prioritisation, engagement, strategy development, preparation and implementation of the action plan to complete the feedback loop. The prioritisation of material topics related to performance, people, and planet are well aligned with our strategic pillars.

How we assess our materiality issues

IDENTIFY
Relevant topics to include in the assessment

PRIORITISE
Topics gathered from the opinions and concerns of our stakeholders

DEFINE
Stakeholder groups

REVIEW
Results reviewed internally to ensure their alignment with our business risks and strategy

Why materiality matters?

STAKEHOLDER ENGAGEMENT

The process of stakeholder engagement serves as a tool for understanding the reasonable expectations and interests of stakeholders, as well as their information needs. Systematic stakeholder engagement is likely to result in ongoing learning within the organisation, as well as increased accountability to a range of stakeholders. Accountability strengthens trust between the organisation and its stakeholders.

The materiality assessment process gives insights in understanding current and future risks and opportunities to build a sustainable business strategy.

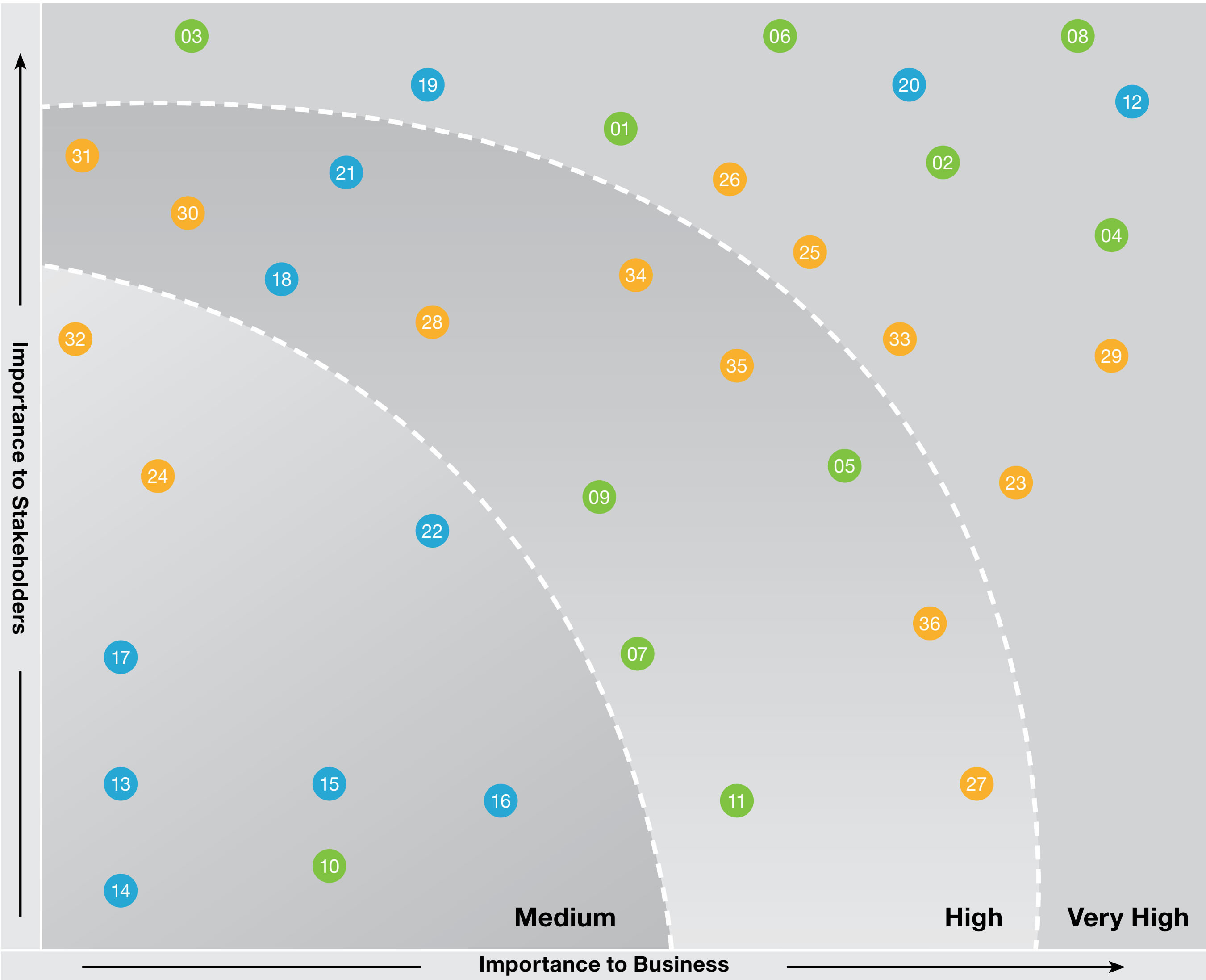
RISK MANAGEMENT

Materiality assessment is a strategic business tool because it is a fundamental step in understanding material issues which leads to assessment of risks around these topics. Today, enterprise risk management includes risks associated around ESG as well. The World Economic Forum also highlights the increasing interconnectedness among ESG risks with risks in other categories—particularly the complex relationship between environmental risks and social issues.

IDENTIFYING KEY OPPORTUNITIES

Materiality assessment leads to opportunity identification around material issues such as cost savings, efficiency gains, new revenue streams from green products and so on. Materiality helps in creating a lens in understanding opportunities and staying ahead of competitors.

MATERIALITY



MATERIAL TOPICS ALIGNED WITH OUR THREE PILLARS OF SUSTAINABILITY

Environment

- 01 Energy efficiency
- 02 Renewable Energy
- 03 Greenhouse Gas (GHG) emissions and Climate Change
- 04 Other air emissions
- 05 Biodiversity
- 06 Sourcing of water (and water management)
- 07 Waste management
- 08 Circular economy
- 09 Green Supply chain (Transportation and Logistics)
- 10 Sustainable packaging
- 11 Relocation and rehabilitation (post mine closure)

Social

- 12 Health and Safety
- 13 Employee training
- 14 Attraction and retention of talent
- 15 Mental health and employee well-being
- 16 Gender Equality
- 17 Non-Discrimination
- 18 Labour issues
- 19 Human Rights
- 20 Corporate Social Responsibility (CSR)
- 21 Customer Privacy
- 22 Land acquisition for mines and new operations

Governance

- 23 Economic performance
- 24 Indirect economic impacts
- 25 Compliance with regulatory requirements
- 26 Customer satisfaction
- 27 Sustainable constructions
- 28 Transparency and Corporate Governance
- 29 Anti-Bribery and Corruption
- 30 Anti - Competitive behaviour
- 31 Risk Management
- 32 Public Policy and Advocacy
- 33 Product quality and innovation
- 34 Operational efficiency
- 35 Capacity utilisation and current demand
- 36 Procurement Practices

Internal

01 32

External

20 26

Internal and external

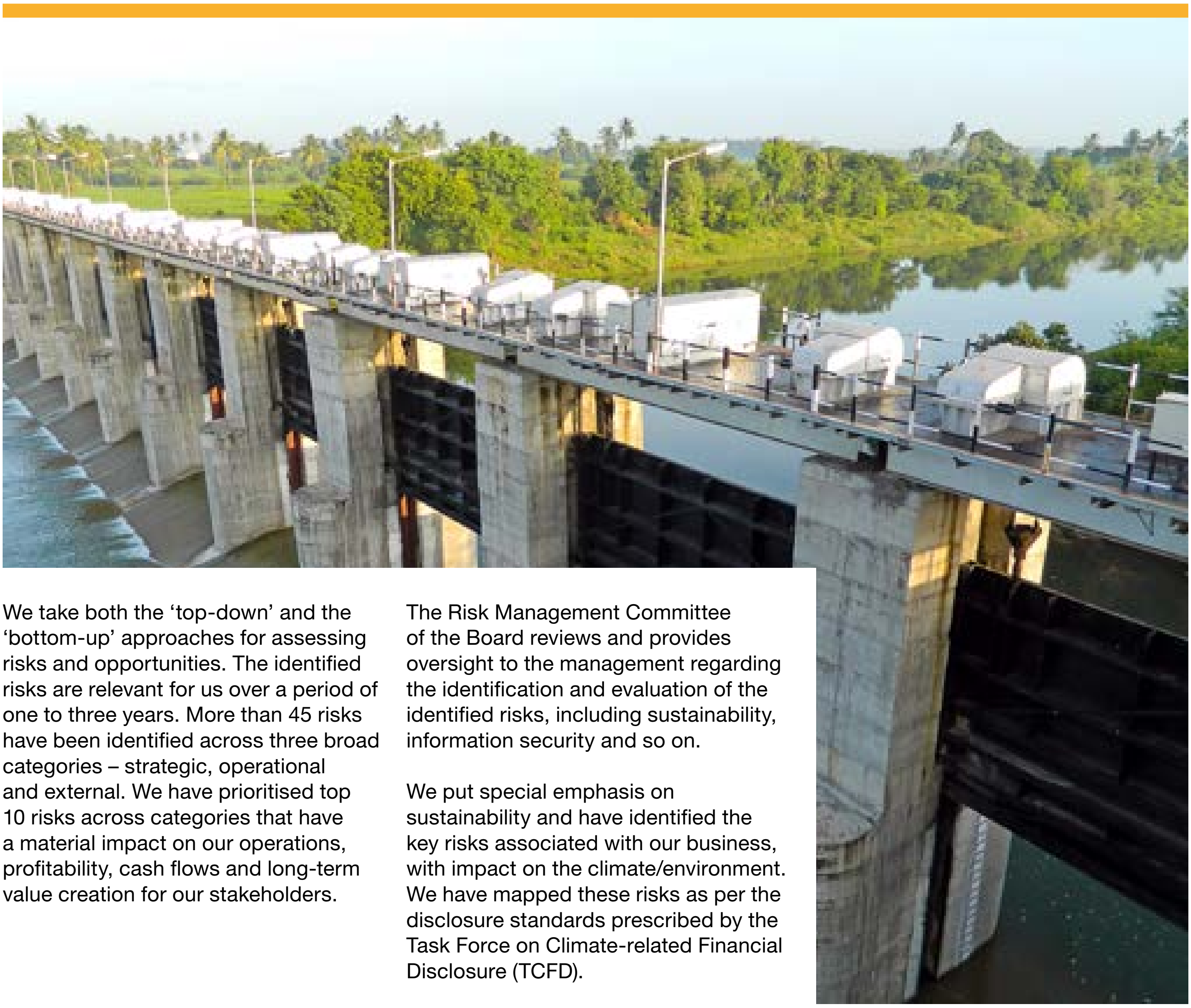
02 03 04 05 06 07 08 09 10 11
12 13 14 15 16 17 18 19 21 22
23 24 25 27 28 29 30 31 33 34 35 36

High priority

01 02 03 04 06 08
12 19 20
23 25 26 31 33 36

NAVIGATING RISKS AND OPPORTUNITIES

Our operating environment is evolving rapidly, and it is imperative for us to identify, assess and respond appropriately to both the upside and downside of uncertainties to achieve our strategic objectives and protect the interests of our stakeholders. Our ability to create long-term value depends on how we mitigate the impact of these risks and leverage emerging opportunities.



We take both the 'top-down' and the 'bottom-up' approaches for assessing risks and opportunities. The identified risks are relevant for us over a period of one to three years. More than 45 risks have been identified across three broad categories – strategic, operational and external. We have prioritised top 10 risks across categories that have a material impact on our operations, profitability, cash flows and long-term value creation for our stakeholders.

The Risk Management Committee of the Board reviews and provides oversight to the management regarding the identification and evaluation of the identified risks, including sustainability, information security and so on.

We put special emphasis on sustainability and have identified the key risks associated with our business, with impact on the climate/environment. We have mapped these risks as per the disclosure standards prescribed by the Task Force on Climate-related Financial Disclosure (TCFD).

The following table represents some of the key risks identified by us. We have devised and applied relevant mitigation strategies for each risk, depending on the gravity of impact and likelihood of occurrence.

Key risk	Mitigation	Impact
STRENGTHENING MARKET POSITION		
Risk context External macro factors remain extremely volatile. Many factors such as policy uncertainty, access to funds, higher interest rates and the continuation of the pandemic may impact growth prospects **Value creation opportunities** Our ability to navigate the external uncertainties helps us create opportunities for stronger growth, increased returns and better market positioning	With government spending focused on infrastructure and housing, the cement sector is poised for growth. This is further backed by favourable interest rates and government policies. We have presence in both key and emerging markets and progressively expanding our market reach. We are always evaluating the emerging socio-political and economic trends and aligning our strategies accordingly	**Strategic objectives** Accelerating Growth Expanding Products and Solutions **Capitals impacted** **Risk trend**
INPUT COST AND AVAILABILITY		
Risk context Continuous rise in prices of key inputs and limited availability of natural resources could impact our operations as well as profitability **Value creation opportunities** We relentlessly optimise input cost, use alternative raw materials and industrial waste that help us reduce consumption of natural resources	We continuously look for new sources for raw material and use alternative raw materials. We recently started underground mining of Gare Palma Coal Block, securing coal supply for our Bhatapara unit. Our investments in WHRS units across plants are helping us utilise waste better and reduce input cost. Infrastructure for enhanced use of fly ash is under construction	**Strategic objectives** Delivering Superior Performance **Capitals impacted** **Risk trend**
ENSURING HEALTH AND SAFETY OF OUR PEOPLE		
Risk context Our employees who work at the manufacturing units or mines are exposed to inherent health and safety risks. We remained operational during the second wave of the pandemic by stringently following all safety norms **Value creation opportunities** A safe and healthy work environment underpins our commitment to being a responsible corporate citizen	We have implemented necessary measures to ensure 'Zero Harm' and protect employees, contractors and third parties from injury, illness or fatality, both on-site and offsite. We have guidelines in place for 'Operating in with and without COVID', handling of day-to-day operations and surge requirements (shutdowns, maintenance, etc.), and focus on personal safety behaviour while at work. We have emergency preparedness in line with the COVID Trigger and Response Plan (TARP) along with mental resilience programme	**Strategic objectives** Delivering Superior Performance **Capitals impacted** **Risk trend**

Financial capital
Manufactured capital
Intellectual capital
Natural capital
Social capital
Relationship capital
Human capital

RISK MANAGEMENT

Sustainability-related risks

Key risk	Mitigation response	Impact
WATER AVAILABILITY		
Risk context Water availability has become a significant risk area, considering the depleting water tables **Value creation opportunity** We are working continuously to reduce water consumption, recycle process water and recharge groundwater to remain water positive	We are optimising our water consumption through various initiatives including water harvesting. We track specific freshwater withdrawal, consumption and efficiency through monthly Water Management Reports (WMRs) for efficient utilisation. Our Sustainability Committee and executive committees of the management regularly monitor the performance of water-related KPIs	**Strategic objectives** Leading in Sustainability **Capitals impacted** **Risk trend**
SUSTAINABLE CONSTRUCTION AND GREEN BUILDINGS		
Risk context To guarantee long-term viability of the sector, it is imperative to ensure optimum resource utilisation and minimise the environmental impact of building materials. There is a likelihood of stronger regulatory measures to ensure sustainable practices and products **Value creation opportunities** This provides us with the opportunity to introduce innovative products that have limited impact on the environment	We promote sustainable construction with focused product development, R&D and technical assistance to our customers. We have created a sustainable product portfolio; more than 89% of our responsible products such as PuraSand, AAC Cool Wall Blocks, Ambuja Kawach, Ambuja Plus, Compocem etc.	**Strategic objectives** Accelerating Growth Expanding Products and Solutions Leading in Sustainability **Capitals impacted** **Risk trend**
LOGISTICS		
Risk context Increasing logistics expense and distribution cost are areas of concern for the industry. Rail is a preferred mode of transport for distances above 250 km; however, rail transport has always been impacted by the shortage of wagons, particularly during the peak period. Policies of the Indian Railways (preference for food and power companies) have posed a challenge in the movement of cement to the consumption centres, adversely impacting the production schedule and increasing the overall transportation cost **Value creation opportunities** This provides us the opportunity to optimise cost by using digitalisation for route optimisation. It also helps in reducing our carbon footprint	We are using ships that run on biodiesel to optimise cost and reduce our carbon footprint. We are further reducing distribution and logistics costs by enhancing movement by rail in collaboration with Indian Railways as per agreed terms of long-term freight revenue commitment and assurance on the availability of wagons. We are also increasingly leveraging digitalisation and Master Service Agreement (MSA) with ACC Limited for route optimisation and minimise delivery cost	**Strategic objectives** Delivering Superior Performance Leading in Sustainability **Capitals impacted** **Risk trend**
MINING		
Risk context The key challenges associated with mining operations are land acquisition, mineral distribution, mineral quality, mine rehabilitation, biodiversity, and groundwater table intersection **Value creation opportunities** We continuously work towards enhancing mining efficiency. The use of waste helps us in conserving natural resources	Limestone from our captive mines allows us to have better operational control and maintain product quality. We are using state-of-the-art environmentally friendly and safe mining techniques that cause minimal disturbance to the people, land and the environment. We have installed Overland Belt Conveyor (OLBC) systems for the transportation of limestone from the mines to our plants. We have in place policies on mine rehabilitation and biodiversity protection post-mining. We are a signatory to the India Business and Biodiversity Initiative (IBBI) of the CII and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and implement IUCN guidelines	**Strategic objectives** Accelerating Growth Leading in Sustainability **Capitals impacted** **Risk trend**

Financial capital | Manufactured capital | Intellectual capital | Natural capital
Social capital | Relationship capital | Human capital

Key risk	Mitigation response	Impact
LOCAL COMMUNITIES		
Risk context We have manufacturing sites in rural areas, where income disparities and other inequalities often lead to discontent and social unrest. The inflow of migrant workers and truck drivers also cause demographic changes. Support from the communities is essential to conduct business operations **Value creation opportunities** Our approach is to minimise the impact of our business, and engage openly and honestly to build lasting relationships and foster socio-economically resilient communities	We engage with the community through our CSR arm, the Ambuja Cement Foundation (ACF). We have established Community Advisory Panels in our locations, comprising representatives from the Company and the community to discuss community issues and arrive at a consensus to implement programmes for them. We stringently monitor all programmes through the Social Engagement Scorecard	**Strategic objectives** Leading in Sustainability **Capitals impacted** **Risk trend**
REGULATORY CHANGES		
Risk context Changes in law and regulations may result in disruptions. Non-compliance can lead to reputational and financial consequences, although compliance too comes at a cost of innovation, alternatives, transformation and upgradation, among others	We ensure compliance in all areas. New emission control systems have been installed to comply with the new emission standards for cement industry	**Strategic objectives** Accelerating Growth Expanding Products and Solutions Leading in Sustainability **Capitals impacted** **Risk trend**
SCARCITY OF NATURAL RESOURCES		
Risk context Depleting natural reserves, new regulations, availability, price, currency exchange rate volatility and other factors have led to a steady increase in the cost of raw materials, power and fuel **Value creation opportunity** This gives us the opportunity to work on alternative raw material mix and use higher share of waste in the manufacturing process	Our portfolio and processes have evolved with emerging needs. Our products and solutions reduce the risk of unsustainable consumption of natural resources such as limestone, fossil fuel (coal) and other resources like water. We are promoting circular economy that helps us address concerns arising from scarcity of natural resources through the use of waste-derived resources	**Strategic objectives** Accelerating Growth Expanding Products and Solutions Leading in Sustainability **Capitals impacted** **Risk trend**
CLIMATE CHANGE		
Risk context Climate change poses risks which are evident in our operations and their mitigation represents a key aspect of our sustainability strategy. Increase in the frequency and intensity of precipitation/extreme weather events such as cyclones can lead to floods and submergence that can potentially disrupt our supply chain and operations including our sea transport terminals From the transitional risk perspective, we face regulatory risks such as increase in carbon tax on coal, Renewable Purchase Obligations (RPO), volatility in fossil fuel prices and increase in prices of AFR due to growing market demand **Value creation opportunity** Through our focused climate change programme, we strive to ensure emissions and climate change issues are identified, understood and monitored	There are four focus areas for lowering carbon emission in our operations—reduction in clinker factor; improving electrical and thermal energy efficiency and process technology; waste heat recovery; and optimising fuel composition. Our climate change risk assessment is based on Task Force on Climate-related Financial Disclosure (TCFD) guidelines, which also helped us identify the action plans to address the risks and opportunities. The identified opportunities are to the tune of 7% of EBITDA (as of 2021)	**Strategic objectives** Leading in Sustainability **Capitals impacted** **Risk trend**

Financial capital Manufactured capital Intellectual capital Natural capital

Social capital Relationship capital Human capital

NEW CONNECTIONS DISCOVERED. WHAT OLD ROUTES OVERLOOKED.

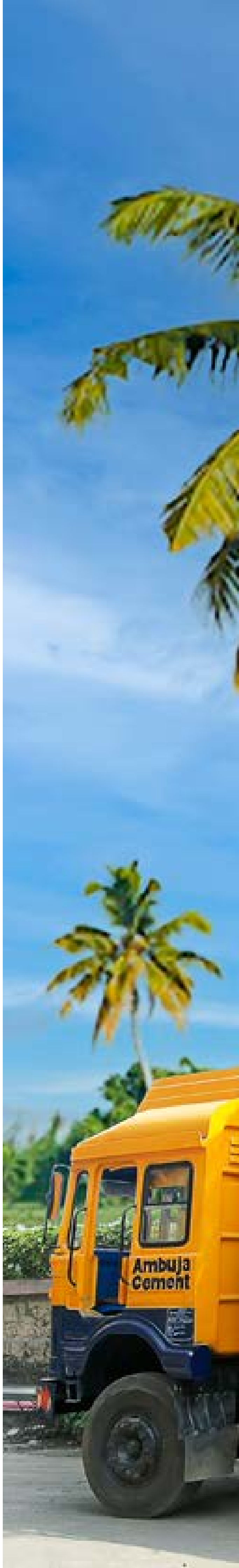
The second wave of the COVID-19 pandemic posed severe hurdles in the transportation of manufactured products to distributors. Our ability to serve our customers' needs was being compromised. So, the team put their heads together on how to circumvent this situation and ensure seamless business continuity.

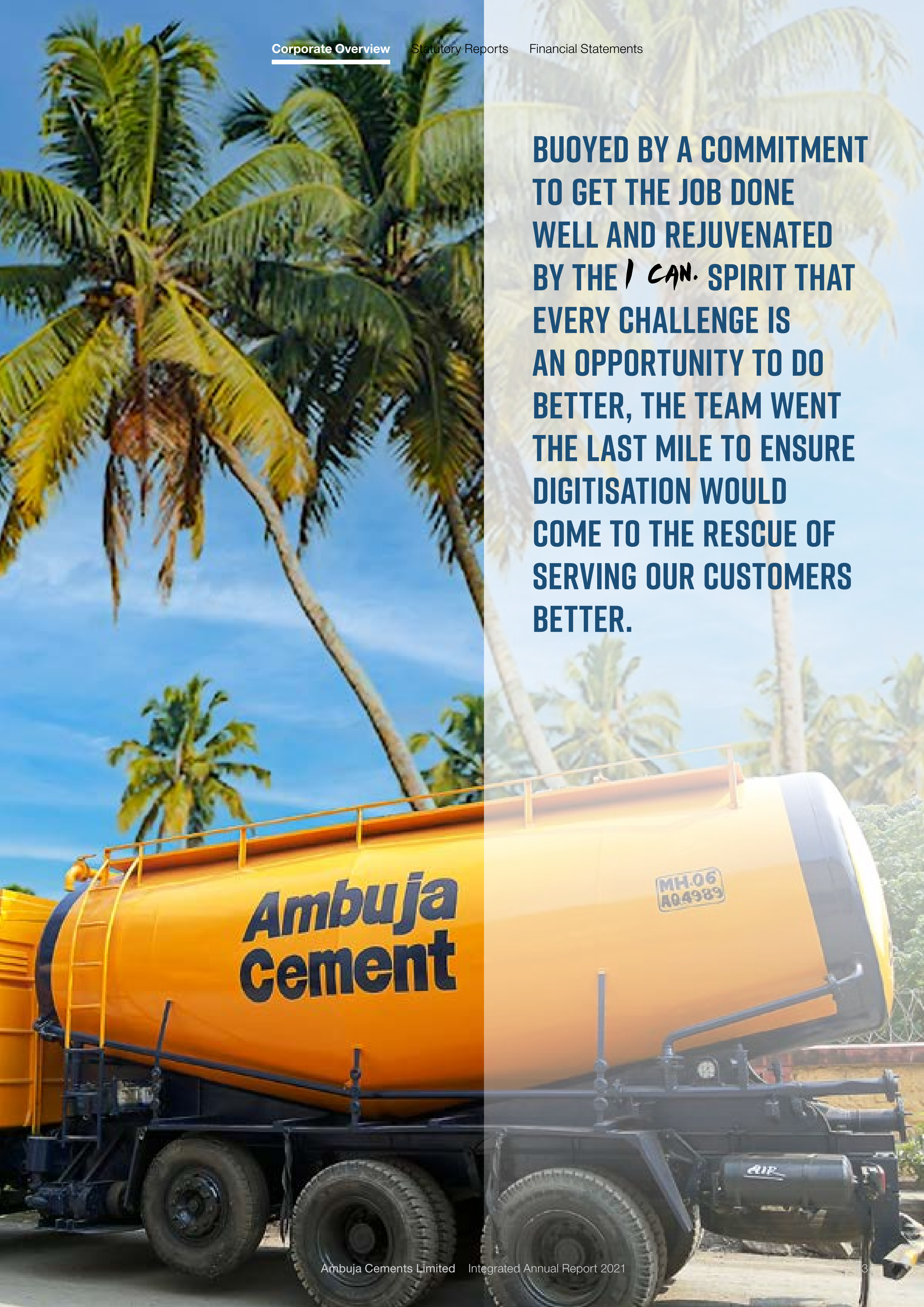
The team decided that it was time to refocus their energies and accelerate its digitalisation efforts. By now, the Transport Analytics Centre (TAC)—launched a couple of years ago—had evolved and moved to the next level, addressing the twin needs of trucker safety and real-time route optimisation. TAC had now become the single source of truth for the entire supply chain.

Soon, TAC fine-tuned its features to optimise production and despatch schedules, rationalise routes, help build a more robust order allocation programme, thus enhancing management of the e-platform driven freight procurement.

As a result, our trucker partners' minimised time spent on roads, optimised pick-up and delivery, ensuring all essential documentation was easily available on their devices for swifter transit. For Ambuja, it provided a single-window view for the efficient management of costs, time, driver well-being and customer satisfaction.

Besides, this marked a significant milestone in Ambuja's journey towards automation of our processes and controls.





BUOYED BY A COMMITMENT TO GET THE JOB DONE WELL AND REJUVENATED BY THE I CAN. SPIRIT THAT EVERY CHALLENGE IS AN OPPORTUNITY TO DO BETTER, THE TEAM WENT THE LAST MILE TO ENSURE DIGITISATION WOULD COME TO THE RESCUE OF SERVING OUR CUSTOMERS BETTER.

FINANCIAL CAPITAL

Successful financial capital management helps us achieve our business objectives, retain stakeholder value and ensure the smooth continuity of business operations. Our financial capital includes the surplus generated from our business operations and funds generated through financing activities. The year saw us achieve a record revenue growth, efficiently manage cost rationalisation and deliver robust returns to our shareholders.

STAKEHOLDERS IMPACTED

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

MATERIAL ISSUES ADDRESSED

- Economic performance
- Marketing communication and reputation
- Procurement practices

KEY RISKS ADDRESSED

- Maintaining market position
- Funding requirements

SDGS IMPACTED

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Value creation at a glance

FOCUS AREAS

	Developments and key initiatives	KPIs
GROWTH	Achieved a historic high revenue	**23%** growth in revenues In CY2021
MARGIN MANAGEMENT AND EFFICIENCY	– Focus on cost optimisation across the organisation – Growing contribution of premium products driving realisations	**21%** growth in EBITDA **40 BPS** decline in EBITDA margin **90 BPS** decline in net profit margin In CY2021
FINANCIAL STABILITY	– Strengthened capital profile	**₹21,810 CR** Other equity **₹22,207 CR** Net worth As on December 31, 2021
SHAREHOLDER RETURNS	– Delivered superior return for shareholders with strong dividend	**₹1,251 CR** Proposed payout for the year 2021

CAPITAL-WISE PERFORMANCE >> FINANCIAL CAPITAL

OVERVIEW

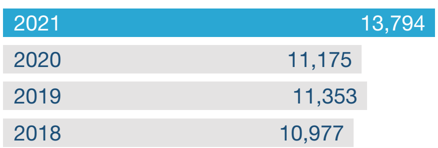
We ensure regular operations are at an optimum level. Our operational KPIs are compared with internal and external benchmarks to achieve higher productivity and yields. Our innovative marketing initiatives and various ongoing digital programmes provide better customer connect and reach, and higher realisations.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

Driven by strong volume growth and realisations, we reported one of the best performances ever in the history of Ambuja Cement.

GROWTH

During the year, we reported a revenue of ₹13,965 crore, a 23% growth over the 2020 revenue of ₹11,372 crore. Performance was driven by a strong demand, which led to 1,100 bps growth in capacity utilisation as well as continued focus on the premium category, resulting in 4% growth in average realisations over that in 2020.

NET SALES (₹ CRORE)



MARGIN AND EFFICIENCY

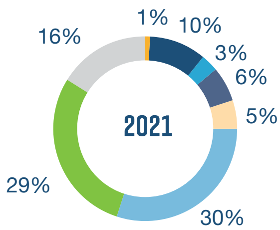
Strong growth in volumes along with better realisation led to a 21% growth in EBITDA from ₹2,647 crore in 2020 to ₹3,207 crore in 2021. EBITDA margin for the year reported a 40 bps marginal decline from 23.7% in 2020 to 23.3% in 2021.

In the face of an inflationary environment, cost optimisation initiatives were undertaken in operations and logistics through our 'Plants of Tomorrow' and other programmes. Total cost per tonne reported 3% increase during the year.

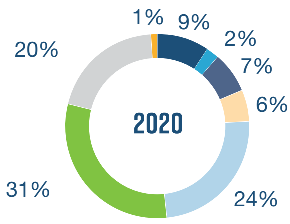
- Raw material costs per tonne increased by 8.8% due to increase in input material cost
- Power and fuel costs per tonne increased by 27% due to steep increase in fuel prices
- Logistics cost per tonne decreased by 2.8%. This was a result of our digitalisation efforts in logistics as well as increased volume under master supply agreement with ACC Limited

Other expenses per tonne increased by 4% in 2021 over 2020.

COST BREAK-UP AS PERCENTAGE OF TOTAL COST (₹ CRORE)



- Finance cost (₹91)
- Cost of materials consumed (₹1,134)
- Purchase of traded goods (₹381)
- Employee benefit expenses (₹678)
- Depreciation and amortisation expenses (₹551)
- Power and fuel cost (₹3,421)
- Freight and forwarding expenses (₹3,308)
- Other expenses (including change in inventory) (₹1,835)



- Finance cost (₹83)
- Cost of materials consumed (₹875)
- Purchase of traded goods (₹197)
- Employee benefit expenses (₹669)
- Depreciation and amortisation expenses (₹521)
- Power and fuel cost (₹2,252)
- Freight and forwarding expenses (₹2,855)
- Other expenses (including change in inventory) (₹1,878)

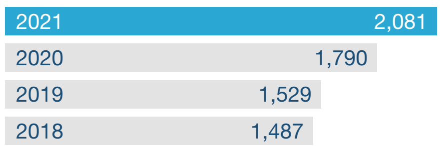
EARNINGS

Robust improvement in core business performance and low interest outgo resulted in strong profit growth. EBIT during the year reported a growth of 25%, from ₹2,125 crore in 2020 to ₹2,656 crore in 2021. Pre-tax profit registered a growth of 15% from ₹2,414 crore in 2020 to ₹2,785 crore in 2021. Pre-tax profit margin decline 140 bps from 21.6% in 2020 to 20.2% in 2021.

Our net profit for the year registered a 16% increase from ₹1,790 crore in 2020 to ₹2,081 crore in 2021. Net profit margin for the year showed a decline by 90 bps from 16% in 2020 to 15.1% in 2021.

Earnings per share in 2021 witnessed a 16% growth from ₹9.02 in 2020 to ₹10.48 in 2021.

NET PROFIT (₹ CRORE)



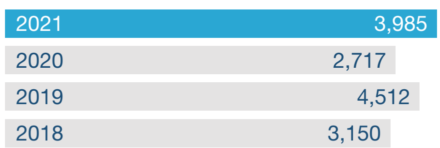
FINANCIAL STABILITY

Our total assets reported a growth of 11% from ₹25,481 crore in 2020 to ₹28,173 crore in 2021. Current assets accounted for 24.0% of the total assets during the year under review against 17.4% in 2020.

Our funding profile strengthened further during the year on the basis of a strong profit generation that boosted the Company's equity base.

Our effective utilisation of capital and strong EBITDA helped us post 160 bps increase in return on capital employed over 2020.

CASH AND CASH EQUIVALENTS (₹ CRORE)



NET WORTH (₹ CRORE)

2021	22,207
2020	20,316
2019	22,205
2018	21,013

RETURN ON CAPITAL EMPLOYED (%)

2021	13.1
2020	11.5
2019	9.2
2018	7.6

CASH FLOW

Our cash position strengthened during the year, reflecting the broad-based improvement in operational performance. Cash used in investing activities increased by 37% from ₹641 crore in 2020 to ₹882 crore in 2021. Net cash balance stood at ₹3,985 crore at the end of 2021 against ₹2,717 crore at the end of 2020.

DIVIDEND PER SHARE (₹)

2021	6.30
2020	18.00
2019	1.50
2018	1.50

WE PAUSED TO PREPARE BETTER. AND THEN SURGED AHEAD TO ACHIEVE.

The cement plant of the future will embrace digitisation and sustainability trends to earn a competitive advantage and build resilience.

Challenging times in the recent past have proved the importance of building resilience into the core of any manufacturing industry. The path forward for our industry is clear - embrace digitisation and sustainability in the cement plant.

Ambuja has incorporated both these trends at the core of its planning as evident with its newest plant, Marwar Cement Works which is clearly a trendsetter as a Plant of Tomorrow.

With the vision that the cement plant of the future would boost productivity and efficiency, innovations were incorporated in Marwar right from the planning stage. A strong technological base facilitated a fully-integrated cement value chain, across different functions.

The entire operation of Marwar Cement Works is guided by the state-of-the-art Robotic Lab, which has the highest number of auto sampling points. Robotic arms across the plant, collect samples in capsules and transport to the lab for analysis with absolute accuracy guaranteed without any human intervention. Automated sampling has eliminated hazards associated with physical sampling besides creating a dust-free environment in labs and sample rooms.

Mining operations are assisted by another advanced technology that examines limestone samples at 1/10th of a second and updates operators on consistency of input materials within minutes. Besides time, fuel consumption is reduced due to consistency in raw material; and thus energy is saved.

This targeted and effective maintenance lengthens the lifeline of the equipment. The plant's environmental footprint is minimised, securing its license to operate across locations. All non-value added tasks are automated and real-time information is remotely available at all levels to make better decisions.

THE SWIFT TURNAROUND IS AN EXAMPLE OF I CAN. SPIRIT THAT HAS HELPED MARWAR STAY AHEAD OF COMPETITION. WE HAD ONLY VISUALISED A PLANT WITH THIS LEVEL OF TECHNOLOGY, AUTOMATION AND DIGITISATION. FOR US AT AMBUJA, IT IS A DREAM COME TRUE.

CAPITAL-WISE PERFORMANCE

MANUFACTURED CAPITAL

Effective management of our manufacturing assets contribute to our operational efficiency, profitability and continued growth. During the year, we continued to maximise our existing facilities, implement planned expansion and invest in Industry 4.0 through the Plants of Tomorrow initiative that is designed to make manufacturing more sustainable and safer.

STAKEHOLDERS IMPACTED

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

MATERIAL ISSUES ADDRESSED

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

KEY RISKS ADDRESSED

- Market position
- Scarcity of natural resources

SDGS IMPACTED

7 Affordable and clean energy; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action

Value creation at a glance

FOCUS AREAS

	Developments and key initiatives	KPIs
CAPACITY EXPANSION	– Commissioning of the new greenfield unit at Marwar – Embarked on brownfield expansion and waste heat recovery projects among others	**6.1%** increase in grinding capacity in CY2021
ENHANCING EFFICIENCY	– Strengthening the Plants of Tomorrow initiative to strengthen digitalisation – Leveraging other efficiency enhancement initiatives to emerge as a lean manufacturer	**30 BPS** increase in operating cost as a percentage of operating revenue in CY2021
SUSTAINABLE MANUFACTURING	Reducing the environment impact of our operations through: – Enhanced use of waste – Increased share of green energy	**96 BPS** increase in thermal substitution rate **154 BPS** improvement in clinker factor in CY2021
QUALITY IMPROVEMENT	Continuous investments in quality control and quality assurance measures	**>95%** compliance in Annual Quality Programme (AQP) in CY2021

CAPITAL-WISE PERFORMANCE >> MANUFACTURED CAPITAL

OVERVIEW
Our manufactured capital consists the tangible objects that facilitate our day-to-day operations and delivery of our products. This includes physical infrastructure such as our land, buildings, production plants, mines on lease, heavy machinery, equipment fleet, and furniture and fittings among others.

DEVELOPMENT AND EFFICIENCY
At Ambuja Cement, we continuously invest to strengthen our market position and evolve as a more efficient, cost-competitive and environmentally sustainable organisation. Key initiatives of the year include:

Capacity expansion
- We have set up a greenfield integrated plant with 3.0 MTPA clinker capacity and 1.8 MTPA cement grinding capacity at Marwar in Nagaur District of Rajasthan. Commercial operations commenced from September 2021 and installation of a Waste Heat Recovery System (WHRS) of ~ 14.5 MW capacity is in progress
- We are setting up a 1.5 MTPA brownfield grinding unit at Ropar, Punjab at a total investment of ~₹310 crore

Raw material security
- To secure our fuel resources, we acquired a coal block at Gare Palma sector IV/8 in Chhattisgarh through e-auction. Open cast mining at full capacity commenced from October 2018 and underground mining commenced from October 2021
- To secure long-term limestone requirement for the Bhatapara plant, we commissioned a new limestone mining lease at Maldi Mopar. The Limestone Crusher and Conveying system, with a project cost of ~₹190 crore, has commenced operations from July 2021
- To secure the long-term limestone requirement for the Ambujanagar plant in Gujarat, we acquired a new mining lease at Lodhva. Environmental clearance and other required approvals for the mining lease have been obtained. Land acquisition is in progress, along with necessary infrastructure development
- To ensure adequate availability of dry fly ash, we are setting up fly ash dryers/hot air generators at Ropar and Bathinda (Punjab), Nalagarh (Himachal Pradesh), Dadri (Uttar Pradesh), Roorkee (Uttarakhand) and Rabriyawas (Rajasthan) with an estimated investment of ₹140 crore
- To meet future limestone requirement, we have invested ₹77 crore to purchase land at Ambujanagar, Darlaghat and Bhatapara
- To secure limestone needs of the Maratha Cement Works plant in Chandrapur, Maharashtra, we have acquired a new mining lease at the Nandgaon Ekodi mine. Environmental clearance and other required approvals for mining are in progress

Energy
- To minimise power cost and enhance the use of green power, we are setting up WHRS (totalling 53 MW capacity) at Marwar, Darlaghat and Bhatapara plants at a total investment of over ₹550 crore. The projects are expected to be completed by April-June quarter of 2022
- To reduce power cost and increase usage of green power, tendering and requisite approvals are in progress for WHRS at the Ambujanagar and Maratha plants in Gujarat and Maharashtra, respectively

Logistics
To strengthen our logistical capability and enhance customer outreach, a new railway siding project at Rabriyawas has been commissioned at a total investment of ~₹210 crore. Clinker and cement despatch by rail started from October 2021.

₹380 CRORE
Spend on development and efficiency capex in 2021 (excluding Marwar expansion)

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

The framework has helped us in running operations more efficiently, strengthen plant availability and ramp up production seamlessly. Some of the highlights for the year includes:

- Utilised around 8.6 million tonnes of waste derived resources in production, in line with our commitment of continuously reducing use of natural resources in manufacturing

CEMENT PRODUCTION VOLUME (MN TONNES)

2021	25.89
2020	22.26
2019	23.93
2018	24.34

CAPACITY UTILISATION (%)

2021	86
2020	75
2019	81
2018	82

EFFICIENCY IMPROVEMENT
In order to emerge as one of the most cost-competitive cement manufacturers in the country, we make continuous investments in the areas of clinker factor reduction, energy efficiency, raw material mix and fuel mix optimisation and enhanced use of alternative fuels and raw materials in manufacturing.

Plant efficiency

- Reduction in electrical power consumption achieved through optimisation of grinding media charging and optimisation of grinding aid consumption
- Installation of new high momentum and low NOx burner in Ambuja, Gajambuja and Bhatapara
- Baghouse filter bag replacement with low drag to reduce the pressure drop, leading to reduction of SEEC (Specific Electrical Energy Consumption)
- Installation of IKN Cooler to reduce heat consumption and improve efficiency at Bhatapara
- Reduction in SHR (Station Heat Rate) and auxiliary power consumption by replacing SJAE with vacuum pump for STG3

Cost rationalisation

- Maximisation of Wet fly ash (WFA) and conditioned fly ash (CFA) usage to reduce overall fly ash cost
- Replacement of 50% traditional High Speed Diesel usage with pyrolytic oil at the time of cold kiln startup
- Maximisation of alternative fuels and raw materials to reduce fuel cost
- Optimisation of raw mix in fuel to reduce overall cost of cement
- Use of molecule-based grinding aid to reduce procurement from vendors
- Maximum utilisation of fly ash to reduce clinker factor
- Variable Frequency Drive (VFD) Installation in In-line Calciner (ILC) Coal Firing Blower to save 480 kWh per day
- Increase in the nozzle area of raw mill from 5.25 m² to 6.55 m² to reduce pressure drop in system and increase mill productivity
- Mill Master commissioned for better mill performance

FOCUSED APPROACH FOR REDUCTION IN ENERGY AND POWER CONSUMPTION

Our optimisation efforts during the year resulted in the following:

- Optimisation of kiln operation to reduce Specific Thermal Energy Consumption (STEC) from 769 kCal/kg of clinker to 746 kCal/kg of clinker
- Optimisation of kiln and cement grinding mill to reduce power consumption from 61.4 to 60.2 kWh/t of clinker in kiln and 37.4 to 36.0 kWh/t of cement Grinding

PLANTS OF TOMORROW

Our investment in Industry 4.0 under the 'Plants of Tomorrow' programme is part of Holcim's Strategy for Growth 2022. The initiative aims to make manufacturing more efficient through better plant optimisation, higher plant availability and a safer working environment. We are implementing several projects under the programme including FinCem and free lime prediction among others. Once implemented and certified, a plant usually promises 15-20% more operational efficiency compared to a conventional cement plant.

POWER AND FUEL COST PER TONNE (₹)

2021	1,266
2020	994
2019	1,075
2018	1,051

THERMAL SUBSTITUTION RATE (%)

2021	5.13
2020	4.17
2019	5.36
2018	5.61

CAPITAL-WISE PERFORMANCE >> MANUFACTURED CAPITAL

PRODUCT QUALITY MANAGEMENT

We have an impeccable record in delivering superior quality products. Our quality parameters are stringent and we keep a close tab on them to improve the overall Product Quality Index (PQI).

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

We are compliant with all the statutory requirements as mandated by the Bureau of Indian Standards (BIS) as well as all weights and measures norms. As a statutory compliance, our bags display the contact details for customers to communicate any complaint, observation and query.

To ensure consistent results, we follow the round robin test methodology to identify issues and improve upon the same.

Key initiatives to improve overall process/product quality during the year:

- Installed robotic lab for real time quality monitoring and control of cement manufacturing at Marwar
- Installed Cross Belt Analyser for real time quality check of input limestone from mines
- Implemented Technical Information System (TIS) for production and lab data information
- Use of molecule-based grinding aid to improve the strength of cement
- Optimised SO3 across location to improve strength
- Qualitative and quantitative identification of clinker phases for strength optimisation using X-ray Defraction Meter (XRD)

SUPPLY CHAIN AND LOGISTICS

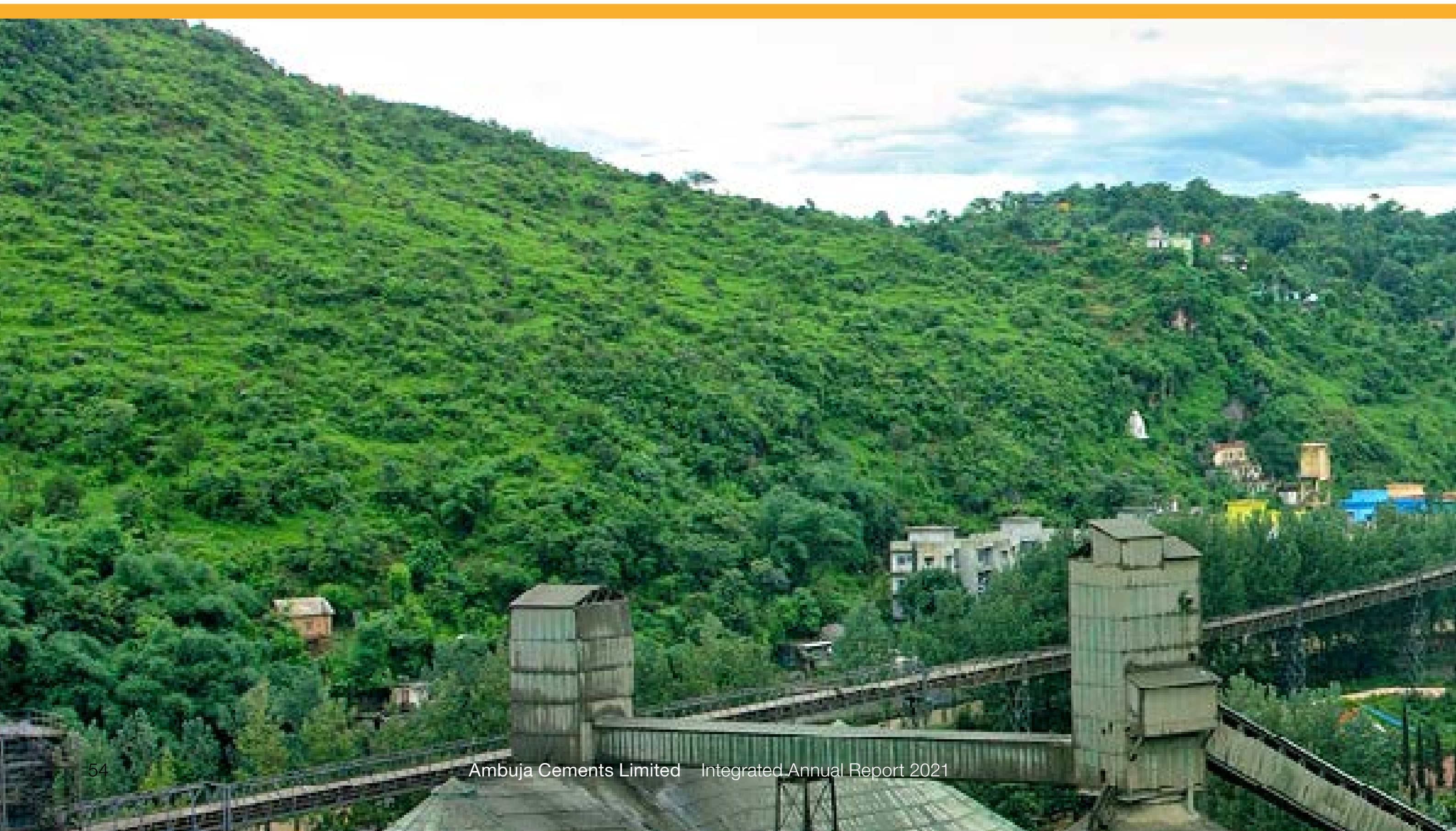
The past year saw continuation of the challenges created by the pandemic. Although disruptions were more localised during the second wave, they still caused uncertainty of demand and costs and put the supply chain under pressure.

Relieving stress

Despite the challenges, our team ensured continuous supplies to all markets and healthy inventories with utmost focus on safety amidst while maintaining all COVID protocols. The major enablers were technology-driven operations and high agility among the teams as well as the service providers. With management focus on sales and operations planning, we were able to respond to market variability with agility.

Technology as a driver for cost

Digitalisation initiatives across the supply chain helped optimise cost. Transport Analytics Center (TAC) is being used for finding deviations on the ground. We are also using best-in-class tools for network optimisation, Sales



& Operations planning, e-platforms for freight procurement, etc. All our logistics excellence projects are driven through automated dashboards.

Freight reduction

Several initiatives are being taken to improve efficiency and negotiate contracted rates. We are using the latest e-procurement platforms to discover real time freight rates. Vendor performances are being closely tracked and monitored to improve their value proposition.

Safety and Sustainability

The Driver Management Centres (DMC) that were closed during the initial phase of the pandemic were re-opened to engage with the driver community and counsel them towards safety-oriented behaviour. TAC has also helped develop more meaningful safety dashboards for use by the Driver Management Center (DMC). We are developing a Carbon Reduction tracker while working on bio-fuel trails, e-vehicles, lead reduction and mode mix to reduce our carbon footprint.

CAPTIVE POWER GENERATION

We have undertaken strategic initiatives in our value chain for energy sourcing and are developing in-house capacity to cater to our energy needs. Some of these include use of alternative fuels/Biomass, Waste Heat Recovery (WHR), renewable energy like, wind and solar and implementation of energy management system (ISO 50001:2011). A substantial part of our power consumption comes from our captive power plants at four integrated plants and one grinding unit.

67%

Share of power sourced from captive units in 2021

MINING

Our integrated units have captive mines for limestone.

How we ensure optimum utilisation of mines:

- Maximise the use of alternative and waste derived materials in the process
- Effective and efficient mining and extraction processes without disturbing the ecological balance
- Use of limestone Screening end extraction

Our Group policy prohibits operations in the immediate vicinity of specific biodiversity zones, world heritage sites or International Union for Conservation of Nature (IUCN) category I-IV protected areas. We adhere to the Holcim Group Quarry Rehabilitation and Biodiversity Directive, requiring us to prepare a Biodiversity Action Plan (BAP) for sensitive sites. Every three years, a biodiversity indicator reporting system (BIRS) assessment is undertaken, as per IUCN guideline, and an improvement/action plan prepared.

All issues with the local community are resolved through dialogue and negotiations. There were no strikes or lockouts at our mines during the reporting period.

CAPITAL-WISE PERFORMANCE >> MANUFACTURED CAPITAL

KEY INITIATIVES UNDERTAKEN IN THE MINES DURING THE YEAR

Bhatapara

- Initiated pilot project for real-time monitoring of equipment performance
- Conducted study for use of electrical excavator in place of diesel excavator

Ambujanagar

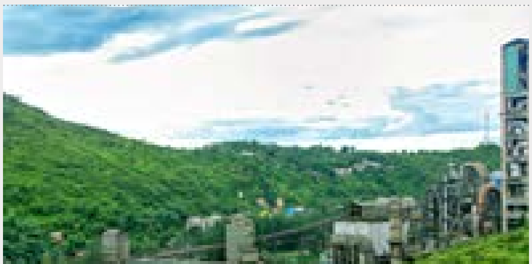
- Reduction in limestone purchase from market owing to GALM mines limestone extraction (30,000 MT)
- Strengthened in-house maintenance of tippers and water tanker to reduce the AMC/FMC charges
- Initiatives undertaken to reduce diesel consumption
- Reduction of moisture percentage in limestone
- Initiated pilot project for use of Compressed Natural Gas (CNG) in tippers and bulkers
- Pilot project on electric vehicles for limestone transportation

Maratha

- Implemented raw mix design with higher SO_3 percentage to increase mine life
- Initiatives on reduction in fuel consumption

Rabriyawas

- Ras-I mine expansion to reduce high grade limestone consumption
- Trial for diesel additives to reduce diesel consumption in mining
- New road identified from Ras-I to plant to reduce lead distance of upto 4 km and reduce transport cost
- Prepared plan for procurement of high-grade mines within a 50-60 km radius around the plant



Darlaghat

- Close monitoring to reduce diesel and lead consumption, and trial of Thermol-D

RESPONSIBLE MINING STRATEGY AT AMBUJA CEMENT

Safety

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

Ecosystem protection

- Excavated soil used for cultivation/ pasture land development
- Dump slopes designed for stability
- Waste disposal as per approved mining plan
- Operating sites do not encroach into territories of indigenous people
- Approved mine closure and rehabilitation plans

Constant monitoring

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

Efficient techniques

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

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

WE BUILT A SHIELD THAT LET'S ONLY SMILES SEEP THROUGH

A house of one's own is a long-cherished dream for millions of Indians. However, leaking walls and seepage in ceilings could turn this dream into a nightmare.

Realising that these problems are endemic to humid and tropical regions where water tables are low and waterlogging common, our R&D team decided to seek out a durable and affordable solution. And what resulted after intensive brain-storming, testing ideas and experimentation was Ambuja Kawach—a product with inherent water-repellent features that worked as a shield against seepage and without any chemical additives.

Kawach was manufactured using waste materials/mineral admixtures, which replaced clinker in the production process. The result was 30% lower carbon footprint compared with ordinary Portland cement. Launched virtually during the lockdown, Kawach garnered nearly 2.9% of our total sales in a short span, despite the challenging demand-supply environment.

The product met with a resounding response. The Solar Impulse Foundation endorsed Kawach as one of Holcim's Top 10 solutions globally, that was both 'green' and created 'economic value' for its customers.

WHILE THE INTRODUCTION OF KAWACH HAS STRENGTHENED CUSTOMER PREFERENCE FOR THE AMBUJA BRAND TO ACTUALISE THEIR DREAM HOME; IT IS THE I CAN. SPIRIT TO THINK OUT-OF-THE-BOX AND CREATE CUSTOMISED SOLUTIONS FOR OUR CUSTOMERS THAT HAS PROVED TO BE TRUE ONCE AGAIN.

INTELLECTUAL CAPITAL

Our intellectual capital consists of the wealth of ideas, technical expertise, process knowledge, consistent capability of innovation and other intangibles such as our brand value and corporate culture. During the year, we strengthened our knowledge base through focused learning and development activities while leveraging our innovation strength to create new knowledge and formulate sustainable products and construction solutions that are aligned to a low carbon future.

STAKEHOLDERS IMPACTED

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

MATERIAL ISSUES ADDRESSED

- Customer satisfaction
- Economic performance
- Sustainable construction

KEY RISKS ADDRESSED

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

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS	Developments and key initiatives	KPIs
RESPONSIBLE PRODUCTS AND SUSTAINABLE CONSTRUCTION	Strengthening reach of Ambuja Kawach	**7.7 LAKH** tonnes of Kawach sales volume achieved during the year
TECHNICAL SERVICES	– Address challenges at construction sites and marketplace for sustainable construction – Augmented onsite sustainable construction solutions – Technical guidance on rainwater harvesting	**1,994** Sites where modular curing solutions were provided **14,824** customer sites provided with instant mix solutions In CY2021
ACCELERATED DIGITALISATION	– Strengthen digital transformation for internal and external stakeholders	– **Tech-enabled operations across the value chain**

in CY2021

OVERVIEW

We are a frontrunner in technology use and have built on our reputation as pioneers in product innovation through our strong emphasis on research and development. We are constantly innovating not only to bring new and sustainable products and solutions to the market but also optimise resource use and decarbonise the cement industry. We are scaling up digitalisation across the organisation value chain to strengthen our competitive edge in the market.

SUSTAINABLE AND RESPONSIBLE CONSTRUCTION SOLUTIONS

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

During 2021, we continued to scale up our sustainable products and solutions.

- Launched in 2020, Ambuja Kawach has emerged as a preferred product for its unmatched attributes. To expand availability, we started supplying the product from four more plants – Bhatapara, Dadri, Ropar and Darlaghat. Currently, Ambuja Kawach is supplied to 17 states and Union Territories from 12 plants across the country. The product has seen an overall growth in volume by 328% on y-o-y basis
- Ambuja Cool Walls, our green solution for walls, is made of pre-cast autoclaved aerated concrete with a special heat-barrier technology that helps keeping homes cooler during summer and warm during winters. In 2021, we added six new plants for Ambuja Cool Walls manufacturing, reaching a total of 18 plants pan-India, and a 25% volume growth on a y-o-y basis.
- Our blended cements portfolio, consisting of Ambuja Plus, Ambuja Kawach, Ambuja Compocem and Ambuja Cement (PPC), is now listed in the Green Product Catalogue of Green Rating for Integrated Habitat Assessment (GRIHA), a national green rating system of India co-developed by the Ministry of New and Renewable Energy, Government of India. Our products were evaluated on third-party test results, benchmarks and environmental certifications etc.

GLOBAL RECOGNITION FOR AMBUJA KAWACH

Ambuja Kawach has been endorsed by Solar Impulse Foundation, a renowned environmental non-profit, as 'Green Building Solution'. We are the first cement brand from India to be awarded this label. Ambuja Kawach also features among the first top ten Holcim solutions recognised by Solar Impulse Foundation.

Technical services

We have developed various products and solutions with 'Ambuja Certified Technology' to enable sustainable construction, which has become a key differentiator for the Company. Our Technical Services team undertakes various initiatives to promote sustainable construction. Instant concrete mix proportioning solution, which reduces usage of natural resources, is one onsite construction solution provided by the Company. During the year, this solution was provided to 14,824 customer sites, leading to a saving of ~17.20 million litres of water. Modular Curing or Zero Water Curing solution is another such sustainable construction solution, which was provided at 1,994 sites, saving ~24 million litres water at construction sites.

Our team is also creating awareness about Rainwater Harvesting (RWH) solution and helping customers implement the same at their sites. During 2021, RWH solution was provided at 100 sites, conserving ~8.5 million litres water annually.

Our applicator training programs have helped masons and contractors upgrade skills across the country. During the year, 514 contractors were covered under various training programs and 1,000+ contractors were educated digitally at the height of the pandemic.

1,994

Customer sites advised on Zero Water Curing solution, leading to saving of ~24 million litres water

Ambuja Knowledge Center

The Ambuja Knowledge Center was as a knowledge sharing platform for architects and engineers. We have 19 such centres across the country to promote and educate construction professionals on sustainable construction and advanced material and techniques. During the year, 5,350 professionals were covered through various knowledge sharing activities and webinars helped reach out to over 1,500 leading professionals.

ACCELERATING DIGITALISATION AND INNOVATION

With an aim to strengthen operations and enhance our competitiveness, we are driving digitalisation initiatives focusing on Operational Excellence, Controls and Compliance and Culture.

For external stakeholders

Contractors are an important stakeholder, given their importance to the individual house builder (IHB), a primary segment we cater to. To empower, engage and fulfil the unmet needs of contractors, we launched Ambuja Abhimaan, a differentiated long-term loyalty program. The program has achieved many milestones, including recognition as one of best mobile loyalty programs, engaging and benefiting 80,000+ key contractors. Besides earning loyalty points, we are also facilitating contractors to market their own work and manage their projects with help of Ambuja Darpan, a business aid mobile app, further buttressing the loyalty. The key features of the app are contractor profiling and estimator among others. It also offers Vaastu tips, event calendar and Ambuja dealer locator facilities that can be used both online and offline.

For internal stakeholders

We have two apps for our Technical Services team – My World, which helps capture onfield efforts in Customer Relationship Management and Ambuja Abhimaan which is used both by contractors as well as the Company's officers. This year, we incorporated the Price MIS (Management Information System) mechanism in both the apps to get the correct and on-ground information from the market.

Plants of Tomorrow

Following the Plants of Tomorrow program of Holcim, we are implementing automation technologies and robotics, artificial intelligence and predictive maintenance across the entire production process. We have implemented predictive tools for quality assurance (FinCem) and piloted predictive tools for maintenance (Preheated Cyclone Blockage, Kiln Energy Optimisation, Ball Mill Slide Shoe Failure, Refractory Lining Failure) to enhance product quality, plant efficiency and safety.

Another Plants of Tomorrow initiative is TIS/PACT- the Technical Information System and Performance & Collaboration Tool--which helps take operational decisions based on data about weekly operations, monthly performances, projects and actions. We have introduced Edge AI at all manufacturing locations to facilitate rapid deployment of predictive models and seamless connectivity with plant data sources.

We also initiated the Digital Eye Program, which facilitates inspection of confined spaces through the use of drones. The concept of connecting mines through the Mines of Tomorrow initiatives was also introduced.

Logistics

The Transport Analytics Center (TAC) is helping us enhance logistics efficiency through route optimisation, cost optimisation and increase road safety. We are leveraging BlueYonder and other software packages to drive logistics efficiency in the organisation.

76%

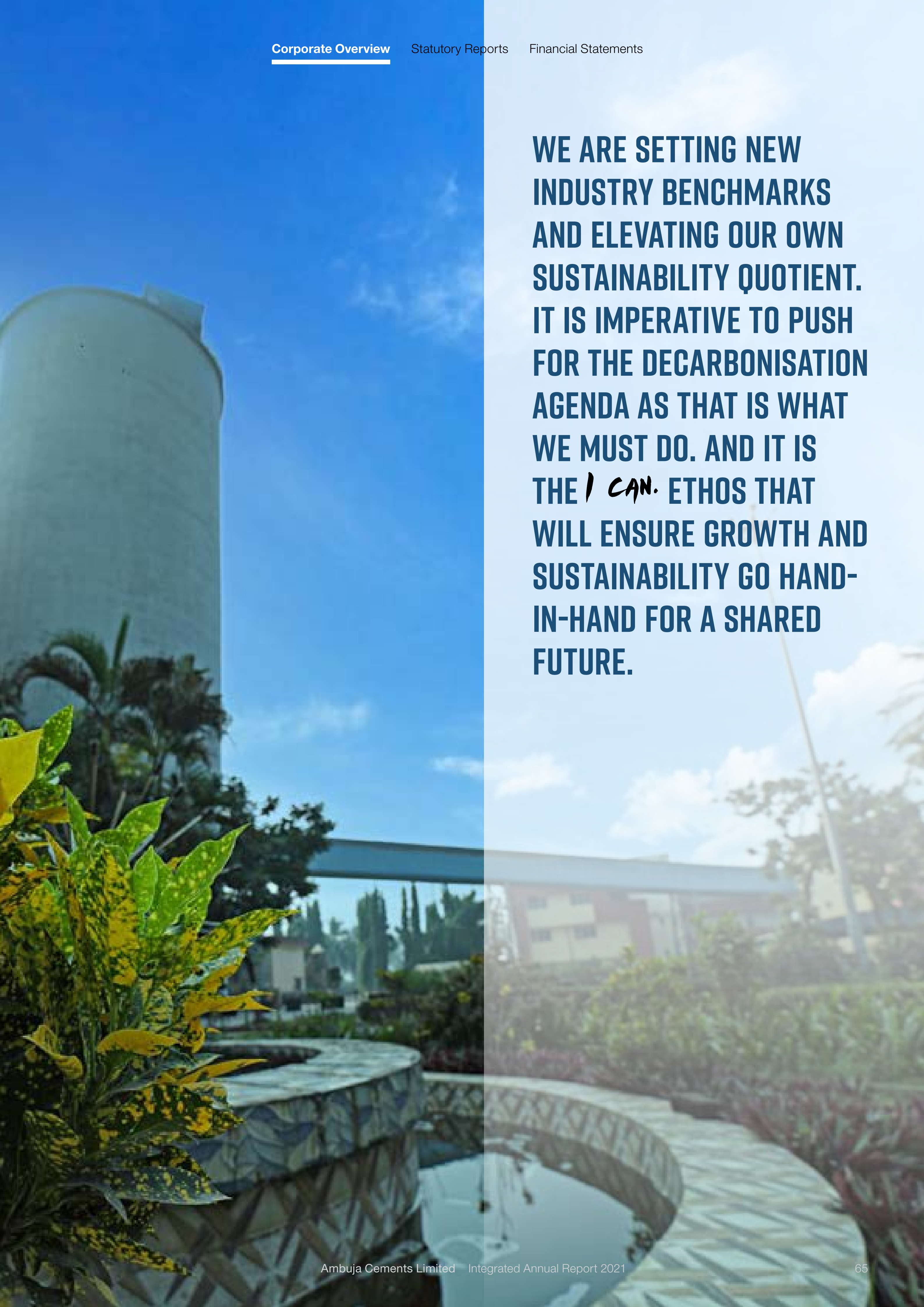
Safe kms through TAC

CONCRETE STEPS TO REDUCE CARBON FOOTPRINT

Climate action is no longer an option but a time-bound imperative to limit global warming to well below 2°C. In line with the Holcim Group's Net Zero pledge, we are integrating sustainability into the organisational culture, prompting our people to come up with concrete measures to reduce carbon emissions and lower energy intensity; and increase the share of clean and renewable energy.

Sensing the urgency to combat climate change, we have developed 2030 carbon emission reduction targets, validated by the Science Based Targets initiative (SBTi). We have also partnered with Carbon Disclosure Project (CDP) India's SBTi Incubator Program to put in place a decarbonisation roadmap.

We are also enriching the low-carbon building materials value chain with innovative green solutions, such as Ambuja Kawach that has 30% lower carbon footprint as compared to OPC products and Ambuja Buildcem that uses fly ash to produce high strength Portland Pozzolana Cement (PPC) while conserving natural resources. Ambuja Cool Walls replaces clay brick walls with pre-cast concrete inbuilt with a special heat barrier technology that keeps houses 5°C cooler during summers and warmer in winters.



WE ARE SETTING NEW INDUSTRY BENCHMARKS AND ELEVATING OUR OWN SUSTAINABILITY QUOTIENT. IT IS IMPERATIVE TO PUSH FOR THE DECARBONISATION AGENDA AS THAT IS WHAT WE MUST DO. AND IT IS THE I CAN. ETHOS THAT WILL ENSURE GROWTH AND SUSTAINABILITY GO HAND-IN-HAND FOR A SHARED FUTURE.

CAPITAL-WISE PERFORMANCE

NATURAL CAPITAL

We understand that we can play a significant role in promoting sustainable development and limiting climate change. We have stringent controls in place to ensure that we manufacture sustainably through prudent resource allocation, energy saving initiatives, efficient waste management and adoption of technologies that reduce our carbon imprint. We are increasingly using waste derived raw materials, waste derived alternative fuels and evolving our product mix to create greener products.

STAKEHOLDERS IMPACTED

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

MATERIAL ISSUES ADDRESSED

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

KEY RISKS ADDRESSED

- Environment and sustainability

SDGS IMPACTED

1 No Poverty · 6 Clean Water and Sanitation · 7 Affordable and Clean Energy · 11 Sustainable Cities and Communities · 12 Responsible Consumption and Production · 13 Climate Action · 15 Life on Land · 17 Partnerships for the Goals

Value creation at a glance

FOCUS AREAS

	Developments and key initiatives	KPIs
CLIMATE AND ENERGY	– Maximise usage of alternative fuels and mineral component in cement – Expanding solar panel farms, waste heat recovery system – Accelerating green solutions – New technologies that help in reducing carbon footprint	**2.2 KG** reduction in CO_2 emission per tonne of cement **3%** reduction in Specific Thermal Energy Consumption
WATER AND NATURE	– Higher use of recycled water and rainwater harvesting – Develop innovative products that reduce water usage for our customers	**8X** water positive **63%** clinker factor
CIRCULAR ECONOMY	– Partnering for clean India through Geocycle	**8.6 MT** of waste co-processed **3.5X** plastic negative

CAPITAL-WISE PERFORMANCE >> NATURAL CAPITAL

OVERVIEW

We associate with various regional and global bodies to implement our sustainability objectives, particularly those related to the environment. In 2020-2021, we participated in a pilot project on Natural Capital Accounting and Valuation of Ecosystem Services-Business Accounting Pilot Case (NCAVES) with UN Statistics Division (UNSD) based on which a case study has been published by the UN (https://seea.un.org/content/business-and-natural-capital-accounting-case-study-ambuja-cement-india). The project was supported by the European Union.

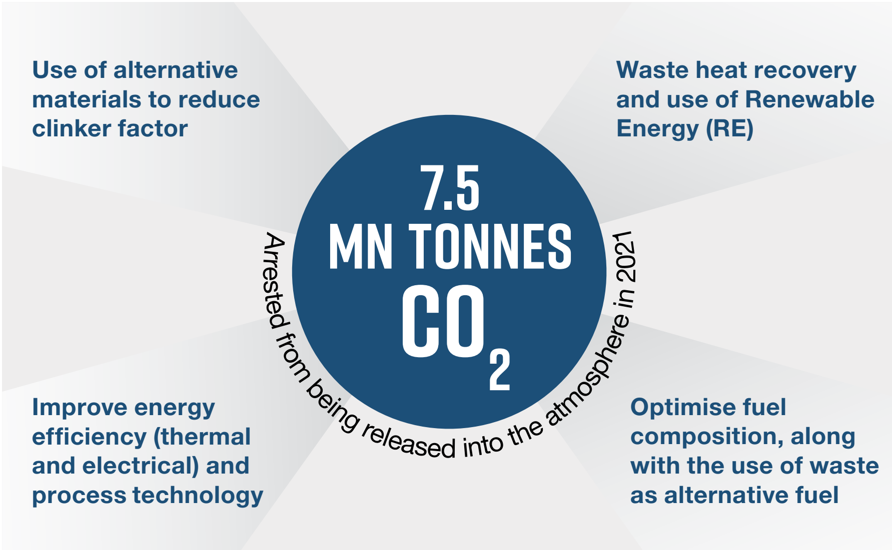
We continue to invest in improving our environmental performance, which results in significant cost savings. During 2021, we spent ~ ₹31 crore towards climate change resilience, including environmental protection, energy efficiency, compliance management, etc., which led to savings of ₹5 crore.

At the end of 2021, three cases involving environment-related issues were pending in different courts. No significant fines or penalties (>$10,000) were incurred in 2021. No formal grievance about environmental impact had been filed through the various grievance mechanisms during the reporting period. Through our advocacy and action, we intend to ensure that climate change measures are integrated into national policies, strategies, and planning.

CLIMATE AND ENERGY

Carbon emission

Aware of the cement industry's contribution in GHG emissions globally, we have undertaken a four-pronged strategy to reduce our carbon emission.

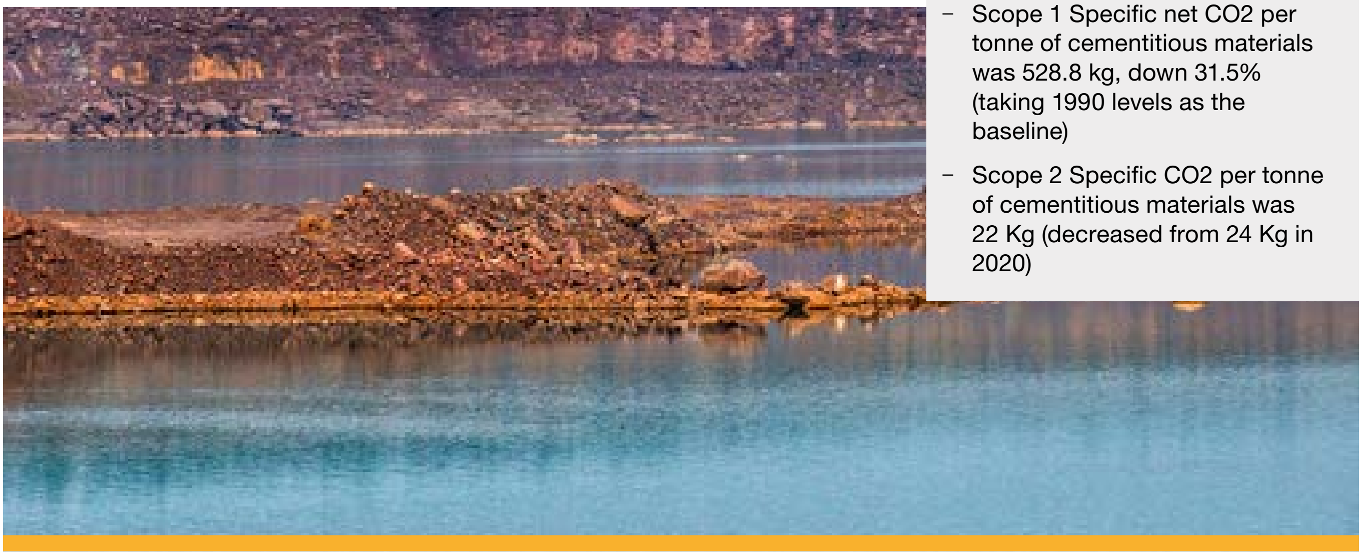


In alignment with World Business Council for Sustainable Development (WBCSD) Cement Sustainability Initiative (CSI) CO2 protocol, we monitor and report our emissions from all manufacturing locations. We disclose our environmental performance as per CSI and GRI guidelines and annually in the Carbon Disclosure Project (CDP) and Dow Jones Sustainability Index (DJSI).

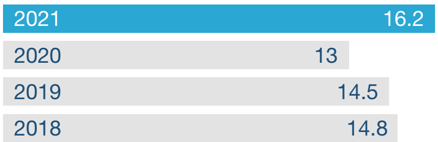
Our Scope 1 emissions include direct emissions from owned or controlled sources, including emissions due to fuel combustion in kilns or from onsite energy generation and clinker production. Scope 2 emissions are associated with purchased electricity from grid. Scope 3 emissions include other indirect GHG emissions, including emissions from purchased products and services, fuel and energy-related activities, upstream and downstream transportation and distribution, waste generated in operations, business travel and employee commuting among others.

Performance in 2021

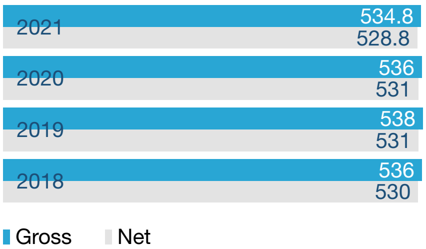
- Scope 1 Specific net CO2 per tonne of cementitious materials was 528.8 kg, down 31.5% (taking 1990 levels as the baseline)
- Scope 2 Specific CO2 per tonne of cementitious materials was 22 Kg (decreased from 24 Kg in 2020)



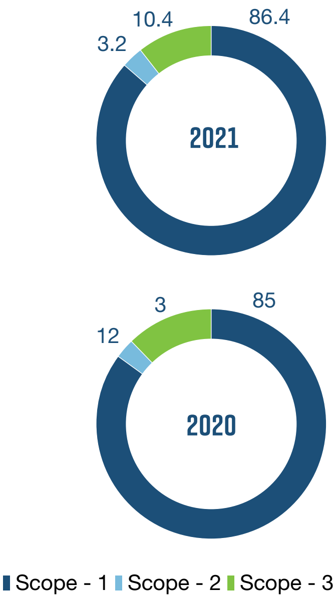
SCOPE 1: ABSOLUTE GROSS CO_2 EMISSIONS INCLUDING ONSITE POWER GENERATION (MILLION TONNES CO_2)



SPECIFIC SCOPE 1 EMISSION: ABSOLUTE GROSS CO_2 EMISSIONS INCLUDING ONSITE POWER GENERATION (KG CO_2/TONNE OF CEMENT)



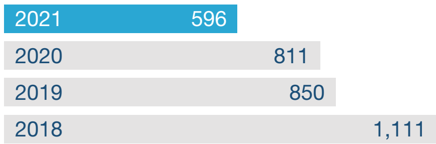
SCOPE-WISE EMISSION (%)



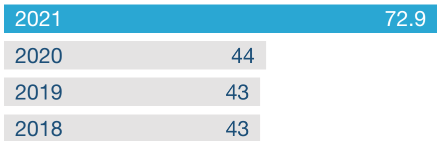
Other emissions

Our manufacturing process does not emit any ozone depleting substance (ODS). The ODS data covers only core processes and not the administrative facilities, which include office buildings, staff quarters among others at plants and offices. The installed continuous monitoring systems across our plants help us monitor NOx, dust/particulate matter and any other significant emissions from our ten kilns or raw mill stacks. Real-time display of this data, except for data on captive power plants and other stacks, is made available on the website of the regulatory agencies. Further, we have invested in Selective Non-Catalytic Reduction (SNCR) systems, new Electro-Static Precipitators (ESPs) and baghouse modifications, reinforcing our commitment towards emission minimisation.

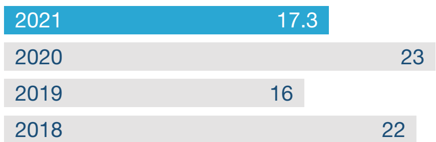
AVERAGE NO_x SPECIFIC CONCENTRATION (GRAMME PER TONNE OF CEMENT)



AVERAGE SO_x SPECIFIC CONCENTRATION (GRAM PER TONNE OF CEMENT)



AVERAGE DUST SPECIFIC CONCENTRATION (PER TONNE OF CEMENT)



Energy management

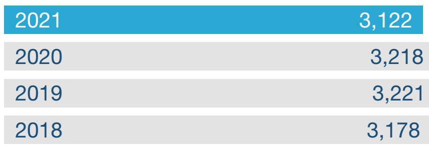
We are undertaking measures to reduce our energy intensity across the cement value chain and have implemented ISO 50001:2011 standards to augment our energy management system. We are working relentlessly to increase the share of renewables such as solar, biomass, and wind in the energy mix. We are using alternative fuel and raw material (AFR) and waste heat recovery to increase our energy efficiency. We use waste derived raw materials like fly ash, slag, and waste gypsum etc. in our manufacturing process, which has resulted in lower clinker factor. We have also optimised our processes for use of low-grade limestone and waste derived alternative fuels. We are proud to have set new benchmarks in the industry in energy use.

Performance in 2021

As a percentage of total operating cost, energy cost stood at 30% against 24% in 2020. About 63% of our power requirements are met through captive energy sources.

- Thermal energy efficiency stood at 3,122 MJ/tonne clinker as against 3,218 MJ/tonne clinker
- Electrical energy consumption stood at 73.94 kWh/tonne of cement against 77.05 kWh/tonne of cement
- Alternative Fuel (AF) in the kilns helped achieve a TSR of 5.1% of the total thermal energy vis-à-vis 4.2% the previous year

SPECIFIC THERMAL ENERGY CONSUMPTION (MJ/TONNE OF CLINKER)



A detailed list of various energy efficiency measures taken are listed in the Annexure – VI (Page 152), and also available on ambujacement.com/investors/annual-reports

Renewable energy

Renewable energy remains a key factor for reducing our carbon footprint.

2.7%

Share of renewables in total power generation in 2021 (1.4% in 2020)

Performance in 2021

- The Rabriyawas unit in Rajasthan started sourcing solar-based power through Power Purchase Agreement (PPA) (project capacity of ~ 5.14 MW)
- WHR power generation of 441 kWh lakh units in 2021 as against 355 KWh lakh units in 2020

OPERATIONAL RENEWABLE ENERGY PORTFOLIO OF AMBUJA CEMENT

30 MW
Coal and biomass-based power plant at Ropar, Punjab

7.5 MW
Wind power station at Kutch, Gujarat

330 KV
Solar power station at Bhatapara, Chhattisgarh

55.14 KWP
Rooftop solar PV project at Gurgaon office

6.5 MW
WHR based power generation system at Rabriyawas, Rajasthan

We use biomass at the captive power plants as well. Along with renewable energy certificates, the power cost optimisation strategy also helps us add value to power sourcing and be compliant in renewable purchase obligations.

THERMAL ENERGY FROM ALTERNATIVE FUELS (TJ)

2021	2,963
2020	2,818
2019	3,479
2018	3,546

WATER AND NATURE

Water is among the key pillars of our Sustainable Development Plan 2030. Our dry process of cement production requires significantly less water than other processes. And now, our products are helping minimise the use of water in construction. Our steadfast efforts in ensuring water efficiency enabled us to turn 8x water positive in 2021.

Five of our plants are located in water scarce regions and we comply with all water related regulatory requirements. At our plants, we are maximising the use of recycled water that has been treated at our effluent treatment plants as well as reverse osmosis plants. Recycled water is also used for dust suppression and gardening, along with other purposes.

At the community level, we have undertaken water conservation and rainwater harvesting projects under the aegis of the Ambuja Cement Foundation (ACF), our CSR arm (Details can be found on page 80 & 81 of this report).

Performance in 2021

- Total volume of water withdrawn for all our operations increased 5.17% to 6.1 million cubic metres (million m^3) from 5.8 million m^3 in 2020 due to over 16% increase in cement production
- However, we significantly reduced specific freshwater withdrawal (operational) to 58 litres per tonne of cement produced (77 litre in 2020)
- Total net freshwater consumption marginally declined from 4.27 million m^3 in 2020 to 4.13 million m^3 in 2021
- Few locations discharge wastewater through septic tank soak-pit but total discharge (24,168 m^3) is less than 0.4% of our total water withdrawal

15%

Of total water withdrawn was recycled in 2021 (15% in 2020)

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

This assessment also uses the World Business Council for Sustainable Development (WBCSD) Global Water Tool. Scenario analysis to identify the potential impact on operations has also been conducted using country Specific India Water Tool. True Value assessment for water interventions in 2021 indicated a contribution of ₹1,544 crore.

SURFACE WATER CONSUMPTION (MILLION M³)

2021	1.96
2020	1.96
2019	1.92
2018	1.78

HARVESTED WATER CONSUMPTION (MILLION M³)

2021	1.96
2020	1.49
2019	1.83
2018	1.46

GROUND WATER CONSUMPTION (MILLION M³)

2021	1.74
2020	1.49
2019	1.83
2018	1.46

WATER RECYCLED (MILLION M³)

2021	0.94
2020	0.86
2019	0.97
2018	0.92

UNMATCHED FEAT

1st ever by any cement company in the World, Ambuja Cement has been recognised for its leadership in Water Security 2021 by CDP, the global environmental non-profit, and secured a place on its prestigious 'A List' for tackling water sustainability. This achievement reaffirms our will to remain committed to addressing water scarcity in the future and contributing to the establishment of a sustainable tomorrow. The three initiatives – concrete mix proportions, modular curing, and rainwater harvesting – helped us save ~70 million litres of water, and promote sustainable construction initiative. We will continue to advocate for environmentally-friendly solutions by actively taking part in such initiatives.

Biodiversity management

Our biodiversity policy is part of the Group's Quarry Rehabilitation and Biodiversity Directive. We adhere to Indian national regulations and are a signatory to the India Business and Biodiversity Initiative (IBBI) of the Confederation of Indian Industry (CII), and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). We also partner with organisations/ industry associations like Global Climate Change Alliance (GCCA) for biodiversity-related policy management, assessment and reporting guidelines.

As part of our Sustainable Development Plan 2030, we are committed to achieving 'Positive Change in Biodiversity' (net positive impact) by 2030. For all our sites, we carefully classify our ecological assets and maintain a biodiversity inventory. We also assess the net positive impact through set KPIs every three years. For measuring this, we have implemented a new baseline biodiversity assessment at our sites through a Biodiversity Indicator and Reporting System (BIRS) developed by experts from the International Union for Conservation of Nature (IUCN). BIRS assessments were conducted in 2017, 2019 and 2020.

We are in the process of implementing mitigation hierarchy for our biodiversity management and conservation efforts which includes three key elements: avoid, minimise and restore. We avoid undertaking operations near any of the World Heritage Sites and IUCN Category I-IV protected areas. Our operating sites are not located adjacent to indigenous peoples' territories.

We plant trees on the overburden and area around the mines and on the mine lease boundaries, which helps reduce dust pollution and promotes the absorption of carbon emissions and preservation of regional biodiversity. We regularly train our team members working closely with communities to ensure minimal impact on the biodiversity. Our overburden/interburden or waste material is disposed of separately in non-mineralised zones through an excavator-dumper-dozer combination as per the approved mine plan. Progressive mine closure plans are available as per statute for all locations.

BIRS score

(SITE BIODIVERSITY INDEX ON A SCALE OF 1-4)

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

Protected areas

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

CAPITAL-WISE PERFORMANCE >> NATURAL CAPITAL

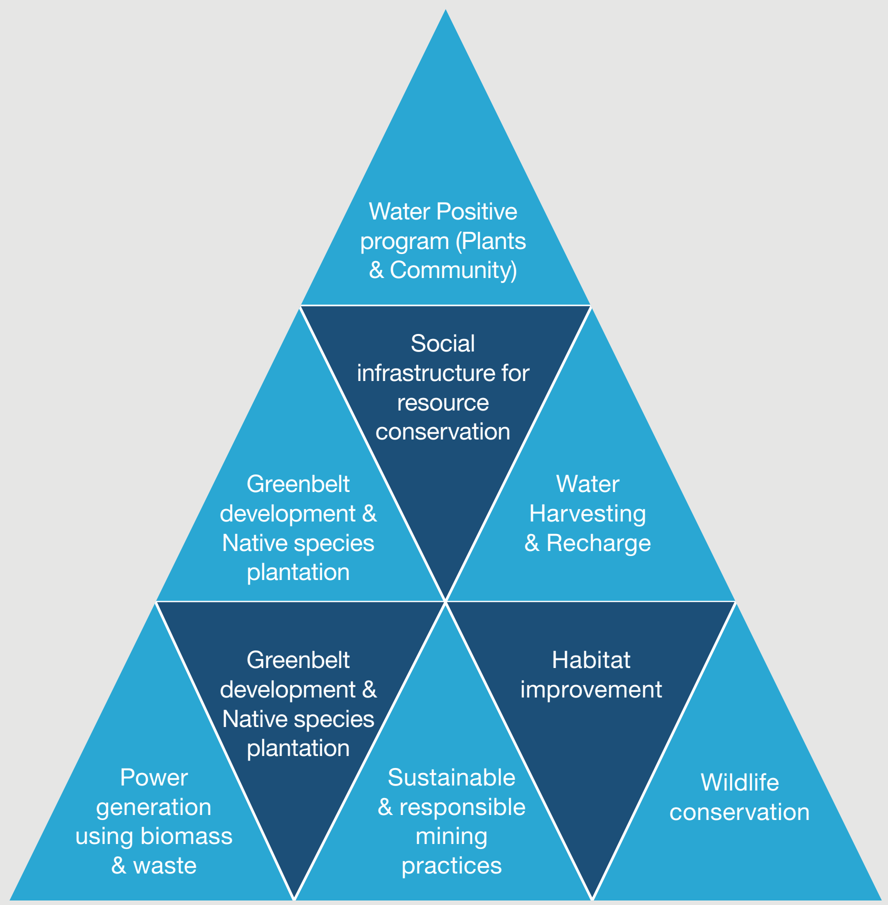
We continuously monitor biodiversity and set protection and action priorities for species like IUCN red data list and regional threatened species list. We conduct periodic ecological study on species and habitats through our local partners such as the Gujarat Institute of Desert Ecology (GUIDE), university experts and research institutions to identify the causes of decline in species and take corrective measures.

Key aspects of our biodiversity management

Partnering with local experts and forest department to develop comprehensive biodiversity action plans with regional measurable targets across sites, and act on the outcomes of our assessment

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

FOCUS AREAS



PROMOTING A CIRCULAR ECONOMY

Through the Holcim brand, Geocycle, and the waste management arm of Ambuja Cement, we have emerged as a pioneer in the industry in effectively utilising waste in kiln co-processing.

Geocycle India is part of the global Geocycle network and has four dedicated pre-processing facilities with installations for blending liquids, shredding solids and sludge and homogenising waste before it is co-processed sustainably at five locations. Through Geocycle, we co-process waste from other industries in our kilns as alternative fuel, thus promoting a circular economy and reducing the use of coal, which, in turn, results in natural resource conservation and GHG mitigation. Geocycle has already developed 14 co-processing facilities across India around AFR storage areas, feeding arrangement, and laboratories that support both ACC and Ambuja Cement. During the year under review, we co-processed ~3.7 million tonnes of alternative fuels, substituting 5.1% of total thermal energy.

5.1%

Thermal substitution rate
(4.2% in 2020)

ACCELERATED APPROACH IN NEXT THREE YEARS TO TRIPLE TSR TO 15%, WITH KEY PLANTS ABOVE 20% TSR

- Market approach driven by footprint expansion of municipal solid waste across key markets leveraging Swachh Bharat Abhiyan and the Smart City campaign
- Associated with 65+ cities for managing legacy waste through urban mining; 250,000+ tonnes of plastic used as alternative fuel across plants
- Drive advocacy efforts on recognition of co-processing at par with recycling, and stakeholder interaction for inclusion of landfill tax and guidelines on the usage of chlorine dust in the cement manufacturing process

CO-PROCESSING WASTE IN CEMENT KILNS

Completely decomposes waste through high temperatures and long residence time

Recovers energy and recycles mineral value of waste, if any

Leaves no residue

Leads to conservation of natural resources

Reduces greenhouse gas emission

Offers local waste management solution

Saves public funds

Promotes a circular economy

Performance in 2021

- We consumed ~2.8 lakh tonnes of alternative fuels (AF) in kilns and ~0.9 lakh tonnes of AF in our captive power plants against 1.9 lakh tonnes and 0.9 lakh tonnes in 2020, respectively. This resulted in a TSR of 5.1% of the total thermal energy against 4.2% in 2020
- We consumed ~8.6 million tonnes of waste-derived alternative raw materials like fly ash, slag, phosphogypsum in the manufacturing process against 7.3 million tonnes in 2020
- Our incremental use of fly ash; water harvesting and recharge projects; agro-based livelihood creation; and use of AFR resulted in net positive contribution to the environment and society to the tune of more than ₹2,000 crore in 2021 compared to ~₹750 crore in 2012

Further, with Geocycle, we are expanding our footprint across key markets for managing Refuse Derived Fuel (RDF) and EPR (Extended Producer Responsibility) plastics through the following ways:

- Tie ups with municipalities of Tier 1 cities and villages near the plants
  - RDF: Utilise 1.2 million tonnes of RDF by 2025
  - EPR plastic waste: 300 kilo tonnes by 2025
- Complex waste and LFP waste: Market mapping and agreement in progress with key industry players. Spent potlining waste usage in January 2022.

CAPITAL-WISE PERFORMANCE >> NATURAL CAPITAL

Partnering for clean India

Geocycle Bubble Barrier

- 2022 : 3 projects in the pipeline : Varanasi on river Ganga, Gujarat on river Vishwamitri, Himachal on River Beas
- 10 additional bubble barriers to be set up by 2025

Cleaning up airports and ports

- Dry waste collection and co-processing from airports, ports, customs

Leave Behind no Waste Initiative #LBnW

- Ambuja and ACC partnership with BCCI for post match clean up across stadiums during T20 series

Community Clean Up

Direct sourcing of biomass from farmers at Rabriyawas

- Reduction in open burning of agricultural waste
- Sustainable source of alternative fuel

Project #BHOOMI

- Municipal solid waste and plastic waste management of villages and towns near plants

PUTTING A BARRIER

Plastics in our water bodies are causing irreversible damage to the environment and thus public health. That is why Holcim brought two cement giants of India to solve this problem. What emerged can be termed as the lightest approach from two corporate heavyweights: a bubble curtain. Through the bubble barrier technology, channelised bubbles push plastics to a collection point, after which they are ecologically co-processed in cement plants. This pilot project at the Mantola canal in Agra is expected to remove 2,400 tonnes of plastic, with more cities slated to receive their own bubble barrier. The initiative is in line with the government's Swachh Bharat initiative, and a big step towards realising our vision of a better tomorrow.

WHEN A STREAM OF POSITIVITY FLOWS, EVERY DROP MATTERS

Water has been the key focus area for us ever since inception. Our efforts have been acknowledged with the latest recognition we received for leadership in water security in CDP 2021 with the best-ever 'A' score. Globally, Ambuja is the only cement company to have achieved this feat.

With growing water stress over the past few decades, Ambuja has been addressing water scarcity issues especially in our communities where erratic rainfall and inadequate irrigation coverage has increased groundwater usage in farming, leading to steadily depleting water beds.

This is what was being faced by local residents of over 50 water-stressed villages in Rajasthan and Maharashtra who realised that the only way out was to tackle this issue head-on. Their local representatives (panchayats) approached Ambuja's CSR arm, the Ambuja Cement Foundation to provide a viable plan with technical knowhow.

First, a detailed site study was conducted in partnership with ATE Chandra Foundation, which revealed 17 defunct water bodies could be restored once the pits were cleaned and desilted. Community members stepped in with tractors and excavators and these volunteers successfully unearthed over 1,66,000 cubic metres of silt that was spread over agricultural land.

Water storage capacity expanded by 166 million litres and 550 tube wells recharged. With the immense benefit staring them in the face, the villagers readily shouldered 75% of the project cost. The arrival of monsoons gave a fresh lease of life to the water bodies and rejuvenated the villages.

IT IS INNUMERABLE EFFORTS LIKE THIS FOR THE SUSTAINABLE CONSUMPTION OF NATURAL RESOURCES THAT HAS ENSURED US A PLACE IN THE SUN. TODAY, AMBUJA CEMENT IS THE ONLY COMPANY TO BE CERTIFIED OVER EIGHT TIMES WATER POSITIVE - AMPLY DISPLAYING THE I CAN. SPIRIT TO SYSTEMATICALLY SHAPE OUR DESTINY AND CREATE A SHARED PROSPEROUS FUTURE.

CAPITAL-WISE PERFORMANCE

SOCIAL CAPITAL

At Ambuja Cement, the community is considered the primary stakeholder of the Company. Our holistic community development initiatives are implemented under our CSR arm – Ambuja Cement Foundation (ACF) – which engages at the grassroots level to assess community needs and priorities so that our intervention is evidence-based and effective.

STAKEHOLDERS IMPACTED

Community

MATERIAL ISSUES ADDRESSED

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

KEY RISKS ADDRESSED

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

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

	Developments and key initiatives	KPIs
COMMUNITY SUPPORT	– ACF continued to focus on its key intervention areas while supporting national efforts in countering the COVID-19 pandemic	**₹64.41 CRORE** spent on CSR activities In CY2021 **2.8 MILLION** lives touched In CY2021

OVERVIEW

At ACF, we harness the power of collaboration—among communities, governments (at the state and central levels), NGOs and corporates—to promote inclusive development. We strongly believe that for a business to prosper, it is essential to foster the prosperity of the communities within which it operates. Our community-specific interventions start well before we secure land for our operating sites and we remain keenly involved in the holistic development of the lives of the people in and around our areas of operation. Our aim is to maximise people's participation in community development by creating village-level institutions, and to invest in capacity building to ensure that the implemented projects are self-sustaining.

APPROACH TO CSR

Our CSR activities are governed by our Sustainability and Corporate Responsibility Committees with Independent Directors at the helm. Our well-formulated CSR Policy lays down in detail our CSR objectives and work in accordance with Schedule VII of the Companies Act, 2013.

Our community initiatives are carried out across 11 states around our manufacturing sites. Besides, we run the following projects:

- Five English-medium schools, under the Ambuja Vidya Niketan Trust, that provide quality education
- A multi-speciality hospital at Ambujanagar under the Ambuja Hospital Trust
- Our dedicated data management and research cell monitors the progress of projects and conducts mid-course evaluation to understand if the projects are being implemented correctly and are creating value for the community. All mature projects are subject to evaluation and impact assessment. External consultants and institutions support us in carrying out impact assessment of critical projects.

In 2021, despite the challenges created by the pandemic, we continued with our community interventions in the designated areas while undertaking other initiatives to safeguard the communities against coronavirus and participating in the immunisation programme rolled out by the government.

Our social intervention areas

Water Resource Management	Agro-based livelihood
Skill-based livelihood	Health and sanitation
Women empowerment	Education

COMMUNITY ENGAGEMENT TO MAXIMISE IMPACT

We have consciously focused on partnering with the community to ensure that the interventions were community-led. This is essential to amplify the impact of all development projects. We require the communities to invest in the initiatives, through financial support or in-kind contributions, to ensure that they come to value these projects and they themselves become agents of change. Keeping this objective in mind, we have organised farmers' clubs, farmer producers' organisations, women's federations, water-user groups, village development committees among others. ACF also focuses on developing village-level leaders for effective on-ground execution of the projects. Deloitte was engaged to conduct an impact assessment of core (mining) villages in Rabriyawas, Rajasthan. The study highlighted the positive change in terms of water availability, improved livelihoods and overall growth.

WATER RESOURCE MANAGEMENT

Water conservation has been of paramount importance to Ambuja Cement since the beginning of its operations. We are enabling communities to face challenges such as water scarcity by promoting water conservation, ensuring adequate availability of clean and safe drinking water, water quality testing and encouraging judicial water use through the use of sprinklers and micro irrigation system.

Partnering with like-minded organisations, corporates and government institutions, our water conservation initiatives have helped transform the scenario in some of the critically water-starved areas of the country. We ensure that no water source or protected area (nationally or internationally) is disturbed by water withdrawal. We ensure sustainable withdrawal, water efficiency, water harvesting and groundwater recharge to help maintain water tables.

We have developed a water sustainability risk assessment framework in association with the International Union for Conservation of Nature (IUCN) to understand business risks as well as the basin risk, and identify units with water stress. This assessment also uses the WBCSD Global Water Tool. Two of our plants are in water scarce regions. We comply with all regulatory requirements on water.

Our water conservation initiatives have led to our inclusion in the 'A' list of CDP, which is a testimony to our commitment to our sustainability mission. We are the only company in the world to have achieved this feat.

Key highlights 2021

- Developed and revived 159 water harvesting and recharge structures with cumulative storage capacity of 59.73 million m3. This includes village ponds, check dams, 'khadins' and farm ponds
- Renovated and strengthened 205 drinking water sources and supported 773 households with construction of Rooftop Rainwater Harvesting Systems (RRWHS)
- Developed 940 Ha of watershed through water and soil conservation initiatives
- Water quality testing encouraged in 67 core villages across ACF locations
- Facilitated by ACF, 2,281 households in 12 villages received tap water connections under the Jal Jeevan Mission in Ambujanagar

AGRO-BASED LIVELIHOOD INITIATIVES

Through our Agro-Based Livelihood Initiatives, we are building farmers' capacities, introducing science-based farming practices and encouraging enhanced use of technology. The initiatives are being implemented in 17+ locations across nine states, covering more than 2 lakh farmers. Besides, we are also encouraging projects related to animal husbandry including dairy, poultry, aquaculture, goat farming among others. Better Cotton Initiative (BCI) remains a core interest, which now covers 1.73 lakh farmers.
During the pandemic, we extended these initiatives by offering insurance opportunities to individuals who had lost their regular source of income.

Key highlights 2021

- 18,886 households of small and marginal farmers and landless families benefited through intervention in vegetable cultivation, fishery, goatery and poultry-based enterprises
- Continued to strengthen 17 Farmer Producer Organisations with a total membership of ~8,000 farmers
- Better Cotton Initiative (BCI) remains the largest program with an overall reach of 1.73 lakh farmers through 5,228 farmer groups in 1,451 villages
- Focused on farmers' capacity building, reaching out to 2.20 lakh farmers; 54,263 farmers trained under Integrated Crop Management
- Conducted 1,500 demonstrations on different aspects of crop production to help farmers gain more understanding and knowledge
- Planted 9,00,000 trees of a target of 1 million trees in Chandrapur under plantation and horticulture projects
- Entered a new partnership to support 10,000 farmers for organic farming

SKILL-BASED LIVELIHOOD INITIATIVES

The Skill & Entrepreneurship Development Institutes (SEDI) is an initiative of ACF which aims to provide youth with training, employment and business opportunities to help them achieve their aspirations in life and lift their families out of poverty. Currently, we have more than 35 SEDI centres active in 10 states across the country. We continue to partner with other organisations including corporates to train SEDI students and provide them with placements.

Sattva Consulting undertook an impact assessment study of SEDI, highlighting the best practices of the peer organisation along with benchmarking.

Key highlights 2021

- Set up three new centres in Una, Lucknow and Udaipur
- SEDIs trained 6,462 young adults and placed 4,104 of them, at a placement rate of 63%
- Expansion of funding partners and renewal of certification partner, National Skill Development Corporation (NSDC)

81,200+
Youths trained through SEDI till date

CAPITAL-WISE PERFORMANCE >> SOCIAL CAPITAL

HEALTH AND SANITATION

This remained a core focus area, given the adverse impact of the pandemic on public health. During the year, we widened the scope of our intervention and included mental health under the ambit of our health-related initiatives. Besides, malnutrition also emerged as an important area of action.

12,800+
Women and adolescent girls benefited through the Menstrual Hygiene Management Program

Key highlights 2021

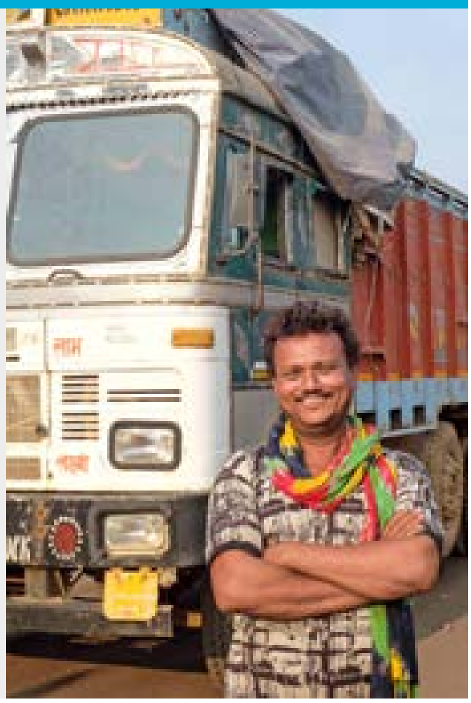
- Our village health functionaries *(Sakhis)* helped expand our Maternal and Child Healthcare (MCH) interventions in villages, reducing maternal deaths, neo-natal mortality, still births and helped institutionalised delivery rate to reach 97% in our impact villages
- Initiated 9 community clinics and mobile medical units with the support of village panchayats and village development committees, reaching 3,672 beneficiaries. Specialty camps organised for 6,157 beneficiaries
- ACF had been among the first to initiate HIV/AIDS prevention measures for truckers through its Health Care Centres (HCC). In 2021, 55,075 truckers were reached across 4 locations
- Initiated mental health interventions in 4 locations covering 101 villages
- Installed 3 napkin-making units in village institutions for biodegradable sanitary napkins, and enabled menstrual hygiene management and income generation for women members of SHGs
- Extended malnutrition program to 100 anganwadi centres
- Initiated a focused programme inducting village leadership to deal with rise of non-communicable diseases, especially hypertension and diabetes; programme reached 97,000 people in 167 villages
- Treated 31,245 patients in Ambujanagar Multispeciality Hospital

CARING FOR THE TRUCKER COMMUNITY

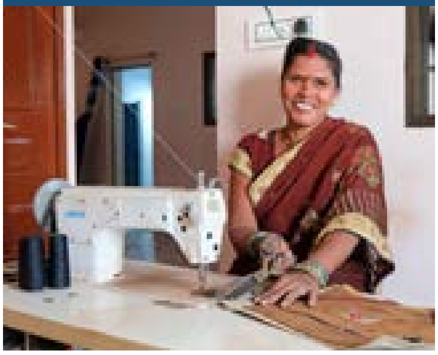
Truckers are a major stakeholder at Ambuja Cement, with ~ 6,000 truckers entering and exiting our plants every day. Ensuring their health and safety is a matter of high priority for us.

Long and irregular work hours, extended periods of stay away from their families, challenging road conditions and stress affect the physical and mental well-being of truckers. Through frequent camps, vulnerability to sexually transmitted diseases, Non-Communicable Diseases (NCDs) and poor eye-sight emerged as common health risk indicators. Under its health program, ACF, along with its partners, has been focusing on the health and general well-being of truckers, holding frequent health camps and awareness sessions to inculcate responsible behaviour among the community. Truckers were also a major component stakeholder group for its initiatives during the pandemic and vaccination drive.

In Bhatapara, ACF has tied up with the government hospital to conduct HIV/AIDS screening camps on a quarterly basis at the truck yard. Through awareness sessions and frequent meetings the truckers union and transport association encourage their truckers to visit these camps. This awareness creation has led to truckers freely coming forth to get tested and are incorporating lifestyle changes.



WOMEN EMPOWERMENT



Women play a critical role in inclusive development and, thus, national progress. We focus on empowering rural women and initiated projects like drinking water supply and health and sanitation and engage them in social and economic activities to ensure overall rural prosperity.

Key highlights 2021

- ACF promotes women led Self Help Groups (SHGs) to build capacity in managing accounts, credit rotation and income generation. During the year under review, 207 new SHGs were promoted, taking the total to 2,970 SHGs, with a membership of 35,099 women managing a total corpus of ₹27.14 crore
- Established 3 new federations, taking the total to 8, and supported them in governance and operations
- ACF assisted 525 SHGs to apply for the COVID Sahay loan and received ₹4.26 crore as livelihood support
- Trained women in tailoring under the livelihood enhancement programme; 4,52,000 face masks were made and sold to health authorities, medical stores and even to Ambuja Cement
- Strengthened micro-enterprise initiatives across 17 locations, where income generating skills such as tailoring, mask-making, pickle-making, sanitary pad-making, cleaning and hygiene product marketing etc. are taught to women
- Around 368 women are engaged as Sakhis, 9,527 in various income generating activities and 115 as Pashu Swasthya Sevikas (Para vets)

EDUCATION

Apart from improving school infrastructure, we focus on programmes aimed at enhancing access to quality education in the locations where we operate. To make learning more engaging and interesting we are helping introduce teaching aids in classes and building capabilities of students and teachers. Ambuja Manovikas Kendra (AMK), a school for specially-abled students, caters to 134 children. During 2021, 106 of them were enrolled under regular schooling programme, 10 under home-based rehabilitation and 18 at the skill development centre.

Our 'Make India Play' programme is gaining traction in schools. We believe that sports plays an important role in the development of the country's youth.

Key highlights 2021

- Promoted capacity building in physical education for the staff of 62 schools
- Set up four mini science labs in Rabriyawas, Ambujanagar, Darlaghat and Bhatapara
- Established libraries in Ambujanagar and Darlaghat
- Initiated water quality testing in schools at three locations; the reports were shared with the school management committee for follow up
- Students of AMK were honoured by the Punjab State Government for Best Sportsperson with Disability; AMK Principal awarded Best Individual Working with People with Disabilities

CONTINUING SUPPORT DURING THE PANDEMIC

With the pandemic still impacting the lives and livelihoods of communities across the country, we continued to provide multi-pronged support. This included building public awareness of Do's and Don'ts, as well as promoting the government's immunisation drive. We trained community members as COVISainiks to volunteer in activities to combat the pandemic and assist the local health system. We also undertook various initiatives to support individuals who lost their jobs due to the lockdowns.

2.7 MILLION

Community members from ACF villages were vaccinated

Key highlights 2021

- Trained 6,347 people as COVISainiks; 2,576 are currently volunteering at hospitals and community clinics
- Distributed 2,200 COVID-19 kits to volunteers and frontline workers across ACF locations during October to December 2021
- Received appreciation certificate from the Department of Health & Family Welfare Office of CMO, Solan district, for our efforts to promote vaccination
- Invested resources in setting up 6 oxygen plants
- Provided 204 vaccine carrier boxes to Community Health Clinics and other institutions at various locations
- ACF supported the public healthcare system by supplying 460 oxygen concentrators and 130 oxygen cylinders in 2021
- ACF supported 250 vaccination camps conducted by Ambuja Cement; 12,535 vaccinations done for Ambuja Cement employees and their families; 9,008 truckers vaccinated and 10,229 third-party vaccinations achieved

MAKING POSITIVE IMPACT AT MARWAR

ACF has been actively engaged in the socio-economic development initiatives in villages around our plant at Marwar since 2005, when we began talks for acquiring land for our operations. The area is a water stressed region and thus water resource management was a priority. ACF began by reviving one of Marwar's major ponds, Lakholav, which is the community's lifeline and the main source of water. ACF is also working on other initiatives in the region such as skill-building, health and sanitation, promotion of rural infrastructure and women empowerment to improve the socio-economic status of the communities.

ACF today works in **12 core villages of Marwar, reaching out to 35,000 people** directly or indirectly through its CSR initiatives.

ACHIEVEMENTS

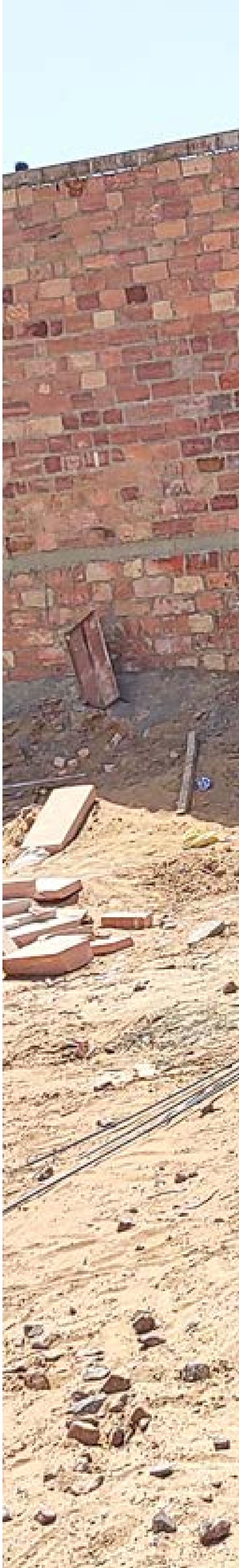
- ACF certified Great Place To Work in the Non-Profit & Charity Organisation category
- Won the 3rd ICC Social Impact Awards 2021 for women empowerment and healthcare
- Organised a virtual round-table on 'Gender Equality in Manufacturing' with GRI, South Asia. Speakers and panellists included leaders from the manufacturing industry and UN representatives

WE BUILT A DARPAN (MIRROR) THAT REFLECTS CAPABILITIES

Contractors are a critical bridge in our relationship with customers and other stakeholders, especially Individual House Builders (IHBs). Their onsite presence is crucial as they are responsible for project execution and managing men (labour), materials and method (construction practices). However, most contractors do not have formal training for the job and even lack office space to conduct their business in an organised manner.

"Why can't we develop a one-stop platform for contractors' business needs?" asked a team member overseeing our engagement with them. To turn the idea into a reality, the technology team got to work. And an app was born, Ambuja Darpan, which mirrored the contractor's needs as it provided round-the-clock access to tools for running their business efficiently and showcasing their capabilities. The multilingual app was equipped with a live compass, Vaastu tips, event calendar, product guide and an Ambuja dealer locator, among other tools.

The popularity of this app has grown multi-fold. And the Ambuja Abhimaan programme that pro-actively engages over 60,000 key contractors has now empowered them with the Darpan app.



UNDERSTANDING THE NEEDS OF THIS CRITICAL STAKEHOLDER, EMPOWERING AND ENABLING THEM TO CHART THEIR OWN SUCCESS STORIES, IS A REFLECTION OF THE QUINTESSENTIAL I CAN. SPIRIT THAT IS EMBODIED WITHIN THE FABRIC OF THE ORGANISATION.

RELATIONSHIP CAPITAL

Our relationship capital relates to the intangible value inherent in our ties and shared commitments with our business partners, consumers and other external stakeholders. We ensure quality products reach our customers through our deep distribution network, catering to their diverse needs and also provide them value-added services that help them build sustainable, resilient structures.

STAKEHOLDERS IMPACTED

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

MATERIAL ISSUES ADDRESSED

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

KEY RISKS ADDRESSED

- Maintaining market position
- Competition

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

	Developments and key initiatives	KPIs
CUSTOMERS	We continued to drive customer value through innovation, responsible products, engagement initiatives and good customer service	**₹89.25 CRORE** Advertisement and Promotion (A&P) spend in CY2021
DISTRIBUTORS	Strengthen distributor connect with various initiatives	**1,850** Dealers added in 2021 **4,200** New retailers onboarded in CY2021
SUPPLIERS	Focus on local suppliers	**92%** local procurement **₹11,975 CRORE** paid out to 8,312 suppliers in CY2021

CAPITAL-WISE PERFORMANCE >> RELATIONSHIP CAPITAL

OVERVIEW

An enduring relationship with our business partners, suppliers and contractors and channel partners are essential to retain our competitive edge in the market, extend our reach across geographies into new markets and capitalise on emerging opportunities in the industry. Equitable contracts, collaboration and information sharing are necessary for maintaining the agility of our supply chain. As a customer-centric company, it is equally important for us to meet our customers' present and emerging needs, and growing expectations related to the sustainability of our processes, products and practices. Our brand reputation as well as business sustainability hinge on the trust and loyalty we inspire among these key stakeholders.

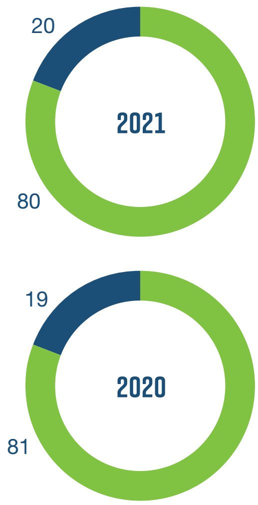
To execute market specific strategies, we focus on the following:

- Creating synergies between all our resources, external partners and consumers
- Driving change in purview of our stakeholders' needs and wants
- Analysing the potential threats and opportunities for 360-degree value creation
- Ensuring continuous skill-building of all our business partners and contractors for their long-term business growth

CUSTOMER CAPITAL

It is our goal to become the best retail construction brand in India, but we also understand that given India's diversity, multifarious strategies are required to serve our wide customer base. We ensure that all our customers get equal and complete focus. Hence, we have different dedicated teams for both our segments—Trade and B2B. We cater to Individual House Builders (IHBs), institutional projects, commercial projects, mass housing, infrastructure projects (roads, dams, bridges etc.).

CUSTOMER SEGMENT (%)



Retail Institutional

We relentlessly work towards creating a product portfolio that provides superior strength and quality and provides hassle-free construction for our customers across the country with diverse climatic conditions. Our base product is a premium offering with superior strength. Additionally, we have a special products category that provide additional benefits to our consumers. For example, strong and cohesive concrete (Ambuja Plus, Compocem in East) or and water repellent (Ambuja Kawach) properties.

By ensuring lower lead time, additional technical services support and product demonstration, we have been able to improve acceptance for our special products. Our on-ground branding and digital marketing efforts have also improved the pull factor for these products. During 2021, we reported substantial increase in the special products volume against that in 2020 by both push and pull levers.

Our core value proposition for our customers is our product and services offerings for every stage of the construction process. In line with this, we have introduced the 'Ambuja Certified Technology' campaign to present Ambuja Cement as the go-to solution for all construction needs by promoting the use of right products, right services and right techniques during construction.

AMBUJA CERTIFIED TECHNOLOGY HOUSE

We will continue to strengthen the products and solutions portfolio under the umbrella of Ambuja Certified Technology. We aspire to establish ourselves as the most sustainable construction brand in India and will be looking to add more green products to our portfolio. We would also like to penetrate our rural and semi-urban segments further and capture all the white spaces in existing markets using our technical services, ATL and BTL activities along with digital marketing. We are planning to launch one sustainable product under the ECOPlanet category and create more value for our customers.

CUSTOMER SUPPORT AND SATISFACTION

Our unmatched product portfolio, superior customer servicing philosophy and an always-available culture help ensure highest level of customer satisfaction. We systematically measure customer satisfaction through our engrained channels and continuously improve our services to help them build structures that are more resilient, resource-efficient and cost-effective.

We measure brand equity by conducting brand health studies on individual customers. The satisfaction level of dealers is evaluated using the Net Promoter Score (NPS) methodology. We also have an internal system of getting feedback from the market through virtual means.

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

Flagship projects using Ambuja cement products

Border Roads organisation (BRO)- Rohtang Tunnel	Dhaulasidh Hydro project
Border Roads organisation (BRO)- Leh Manali highway	HPCL-L&T jetty project (Chara Gujarat)
Rishikesh Karan Prayag tunnel project (RVNL- Rail Vikas Nigam Ltd)-Megha Engineering, Navyuga, Max Infra	Bagodara Vasad highway project
Pandoh-Takoli road project – HP	Daman Sea wall and sea link
Srinagar Airport- E5 infrastructure	Ahmedabad Metro
Zojila Tunnel J&K	Bhayla to Bagodra highway
Holi Bajoli dam project - HP	Mumbai Metro
Jammu Ring road project	Nagpur Metro
Pakul dam project - Jammu	Mumbai Trans harbour link
Silkayara Barkot tunnel - Uttarakhand (4 Dham project)	Mumbai Coastal road project
Ramban Banihal Qazigund road tunnel project, Jammu	Samruddhi Mahamarg- Mumbai Nagpur expressway
AIIMS Bilaspur, AIIMS BHATINDA, AIIMS Awantipura, AIIMS Jammu	IIT Patna
IIT Ropar, IIT Jammu	Nalanda University
IIM Jammu	Medical College, Ambikapur, Chattisgarh
Thermal Power plant Khujra	Joka Esplanade Metro Project
War Memorial Ambala	Kolkata Police Training Academy, Shibpur
	University of Health Science, Salt Lake
	IIT Kharagpur
	Minerva Lokhandwala -Mahalakshami Race course -Mumbai (under construction)

CUSTOMER ENGAGEMENT

It has been our endeavour to delight all our customers by offering the highest quality of services and products. We have been strengthening our relationships with architects, engineers, contractors and masons to enhance the experience of our end consumers.

The past two years needed an extraordinary approach to stay engaged with our customers as the pandemic made physical interactions difficult. We organised several mental and physical well-being sessions for our external stakeholders, employees, and their families to tide over these tough times. We also organised several virtual bonding activities with our channel partners and families. We have come up with focused mobile and web applications for each of our major external stakeholders, and we keep adding new features to these apps periodically based on the feedback from them. We also remain connected with customers through digital platforms by conducting virtual meets. For influencers, we have the Ambuja Abhimaan platform, with a holistic approach towards strengthening relationships.

Other customer engagement initiatives:

- To revitalise our brand and strengthen its positioning, we developed a mother-brand TVC ‘Deewar 2’ starring Boman Irani and Vinay Pathak, which was aired in September 2021 on major national and regional channels. Post campaign research indicated high recall, engagement and enjoyability. The digital campaign was a huge success and garnered over 2 crore+ views. It was rated among the top 10 most-seen ads
- To boost our sales efforts and build saliency, we launched our 10-second ‘Giant’ TV commercial in December 2021. The TVC went on air on leading national and regional news channels in Rajasthan, Gujarat, Maharashtra and Punjab
- In order to leverage the power of cricket to develop a deeper connect

with people, we partnered with Board of Control for Cricket in India (BCCI) as their official sponsor. We made heavy on-ground presence through branding on perimeter boards, ropes, sight screens, and backdrops among others. Along with BCCI and Geocycle, we embarked on collecting and recycling waste generated in the cricket stadiums and used it as alternative fuel in our plants

– We also engaged with stakeholders through festival/event specific films. During 2021, we developed four occasion-based films – for the New Year, Diwali, Independence Day and Republic Day. Each film generated 50 lakh+ views on digital platforms

33,665

New contractors enrolled on Abhimaan in 2021

43,000+

Sites provided with value added services

53,000+

Customers connected through digital platforms during the lockdown

DEEPENING OUR MARKET REACH

To improve our reach, we appoint dealers and retail stockists who help us deepen our market penetration. We nurture our channel partners, providing them with quality products, strong influencers' network, varied on and off ground branding activities, onsite value-added services and a talented sales team. Our supportive system, ethical business practices and continuous efforts to deepen our relationships with our external partners have helped us stand out amongst competition.

We organise several virtual and physical meetings and events throughout the year for our channel partners and their families. In addition, our frontline team works closely with them to help them grow their business and support them in delivering the best-in-class services to end consumers.

300

New channel partners added in 2021

SUPPLIER ENGAGEMENT

We engage with our suppliers through issues concerning health and safety, contractor safety management, sustainable procurement, anti-bribery and anti-corruption directives, third-party due diligence and automation in SAP-Ariba. We encourage our business partners to imbibe our corporate values and demonstrate good corporate citizenship and follow sustainable practices. The Sustainable Procurement Initiative (SPI) includes a thorough assessment of our suppliers, who are mapped as per SPI guidelines on high, medium or low risk parameters.

In 2021, we engaged with 8,312 Tier-I suppliers and prioritised potential high-risk suppliers based on three categories – Anti-Bribery and Corruption (ABC), sustainable development and contractor health and safety. Suppliers who make up 80% of the allocated total spend are classified as critical. 1,095 suppliers were identified as 'critical' among the total Tier-I suppliers. The top three categories of critical suppliers include production service providers (including manpower contractors), facilities service providers and logistics service providers.

We introduce our suppliers to our Code of Business Conduct for Suppliers commonly known as Supplier Code of Conduct (SCC), and obtain their consent to follow the Code, which sums up our expectation from them in all procurement dealings. The SCC covers standards specified in Social Accountability Standard SA 8000 and EMS ISO 14001. We intend to undertake capacity building for our supplies so that they have their own sustainable procurement policy.

LOCAL SUPPLIERS (NOS.)

2021	8,243
2020	7,597
2019	8,260
2018	7,792

WE NEED TO KEEP SOME SILOS INTACT, WITH TEAMWORK

Cleaning a 21,800 MT capacity silo in two weeks could seem like a Herculean task for most; however, not to our team from Bhatapara. Cleaning silos is integral to the efficient management of a plant's inventory and supply chain and imperative to be accomplished despite any external challenges or roadblocks.

First, 18 contract workers were hand-picked for this job. Each health and safety protocol was extended to them as they entered the silo. Every move was manned by an expert emergency team trained to manage any crisis. A drone monitored movement and adequate levels of air supply maintained through a designated unit. Advanced equipment such as pneumatic whipping and cardox blasting were deployed under expert surveillance.

Precise planning, inspirational teamwork, deployment of advanced technology and swift decision by the senior leadership ensured a single-minded focus to complete the entire exercise in a record-breaking 11 days.

THIS SUCCESS STORY HAD A RIPPLE EFFECT – IT INSPIRED OTHER TEAMS FROM DADRI AND AMBUJANAGAR PLANTS TO EMULATE THE PROCESS. OUR BHATAPARA TEAM LED THE WAY IN DEMONSTRATING HOW THE EMBODIMENT OF THE I CAN. SPIRIT COULD DWARF ANY CHALLENGES, THANKS TO A SHARED COMMITMENT BY AN AMAZING TEAM.

CAPITAL-WISE PERFORMANCE

HUMAN CAPITAL

The Ambuja Cement team of 10,463 employees (including third-party contractual employees) is our most valuable asset, which propels the Company forward through their competencies, skills, and knowledge. We provide our people a supportive and safe working environment while promoting inclusivity and diversity at the workplace.

STAKEHOLDERS IMPACTED

Employees

MATERIAL ISSUES ADDRESSED

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

KEY RISKS ADDRESSED

- Talent acquisition and retention
- Health and safety

SDGS IMPACTED

Value creation at a glance

FOCUS AREAS

	Developments and key initiatives	KPIs
EMPLOYEE HEALTH AND SAFETY	Implement and monitor stringent health and safety measures across operations to ensure safety of people	99% employees vaccinated 101.8 MILLION safe on-site man hours In CY2021
DEVELOPING THE TALENT POOL	Leveraging the digital ecosystem for employee learning and development, and leadership pipeline	8 hours on average of training imparted per employee
EMPLOYEE ENGAGEMENT	Focus on e-learning	64 e-learning courses

CAPITAL-WISE PERFORMANCE >> HUMAN CAPITAL

OVERVIEW

Our Human Resources function is closely aligned with the overall business strategy and plays an important role in its execution. We recognise the importance of well-trained and motivated employees in achieving our goals.

We are aiming to become more inclusive and therefore the promotion of gender diversity has been one of the key features of our talent strategy. From setting a specific target to improve women's participation in the workforce for the next three years to implementing programs and policies that improve worker diversity, we have clear objectives to improve worker engagement and build trust.

We have a 'Zero Tolerance' policy towards any kind of discrimination and harassment at the workplace based on the applicable laws and our internal directives.

TOTAL EMPLOYEES (NOS.)

2021	4,723
2020	4,923
2019	5,068
2018	5,058

TALENT MANAGEMENT

- Under the 'People for Tomorrow' initiative under the Cement Industrial Framework, we are developing a talent pool across units. This ensures we do not have any talent gap across functions while giving employees the opportunity to acquire skills and progress their careers
- For our Marwar greenfield project, we successfully utilised our in-house talent. Employees across units were transferred to this site in various roles, enabling knowledge exchange and a deepening sense of camaraderie. We are also readying a talent pool that we will tap into for various upcoming projects
- A need was felt for a more targeted program to enable employees to acquire new skills so that they could assume new roles and make use of the opportunities opening up within the organisation. Hence the concept of 'Saksham' was envisioned. The core intent of the program is to make people 'samarthvan' or able by providing them equal opportunities for their holistic development. Saksham has been rolled out at multiple units with the enthusiastic participation of employees

EMPLOYEE ENGAGEMENT

Given the persisting uncertainties on account of the pandemic, we focused on promoting employee engagement in activities that their families could also participate in. Under the banner of 'Umang', a host of activities were organised, such as 'I Can Talent Hunt', that led to the discovery of capable dancers, singers and other talents among participating adults and children. There was also the 'I Can Dream Project', which, along with motivational and informative sessions like the ones of financial planning, boosted the morale of the workforce. Other such activities are planned for the future.

TALENT ACQUISITION

We have had a healthy flow of talent as a result of lateral movements and campus hires. During the year, we hired 342 new employees, 9% are women.

INDUSTRIAL RELATIONS

Healthy industrial relations have been our hallmark. We signed wage settlements across five units over the past one year. There was no loss of man-days or stoppage of work during the negotiations. While working within the framework of the Cement Manufacturers' Association Wage Board agreement, we have been able to maintain adequate performance-based differentiation for our units. Disciplinary actions have also been conducted seamlessly as per laid down policies and procedures of the organisation.

EMPLOYEE BENEFITS

In purview of the health crisis, we have launched a plethora of policies, support plans and mechanisms to ensure employee well-being and security. The Business Resilience Team launched its four-pronged action plan that included Crisis Management as well as Awareness & Communication. Our COVID-specific policies included leave, medical expenses for employees and family. Sparsh provided counselling and mental health support while outsourced agencies such as Health Spring, provided medical kits, vaccination support and tele counselling. Unfortunately, we also lost colleagues during the pandemic. An internal survey registered 90% employee satisfaction on the support provided by the Company during the pandemic.

As per Company policy, women employees are entitled to maternity leave for a continuous period of 26 weeks, or opt for two 13-week segments to cover the pre-natal and post-natal period as per convenience. During 2021, three women employees availed of maternity leave; two of them remained employed for the rest of the year after resuming work, and one is still on leave.

We are an equal opportunity employer providing equal remuneration for women and men. We aim to reach gender diversity of 10% in management workforce by 2025. The ratio of the average basic and total salary of women to men is 1.17:1 and 1.14:1, respectively management level roles and 1:1 for the entry level average total salary, considering all locations of our operations.

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

LEARNING AND DEVELOPMENT

At Ambuja Cement, Learning & Development is an integral part of our people strategy. Since the pandemic, the ACC ACL Leadership Academy (AALA) has leveraged the digital ecosystem to expedite the learning process through virtual instructor-led master classes. Short, customised web sessions have also been used for targeted groups which were coached on functional and leadership aspects. We also have dedicated learning programs for successor development, promoting the safety culture and for performance management among others. Numerous on-the-job training programs at the unit-level were designed and implemented with the help of internal faculty, subject matter experts and functional leaders.

ASPIRE

During the year, we launched Aspire, our successor development program for grooming talent for Plant Head positions through a blend of technical, business and leadership modules. The program includes both on-the-job functional tasks, assignments and mentoring by senior leaders in manufacturing. The training journey culminates in a cross-functional capstone project set by the Chief of Manufacturing. Each participant gets the opportunity to present his/her project to the Managing Director.

In addition to the Aspire program, the year saw us conduct a large sales training initiative with all Branch Heads on new dealer appointment. The training consisted of three modules and covered 261 Sales Managers. It was run through a 'Train the Trainer' mode, whereby nine Regional Sales Heads were trained to lead the modules.

A special program was designed in partnership with the Global Sales Excellence team to develop Regional Sales Office (RSO) Heads as Sales Coaches. The program not only imparted coaching skills through peer coaching sessions, but also the opportunity to practice these skills during the intervening sessions. The training covered 62 Regional Sales Heads and consisted of four modules.

AALA also created content for 128 micro learning modules on its Learning Experience platform and 64 e-learning courses in the areas of Sales & Marketing, H&S, Compliance and Success factors among others.

Diversity and Inclusion has been a long-term goal for the Company, and acts as a sustainability lever for business. AALA organised sensitisation programs for 65 senior leaders in Manufacturing and Sales, promoting conversations that reflected on bias at work, on building inclusive practices and action plans to promote gender diversity in the organisation.

SUPER ASSISTED INTELLIGENT LEARNING (SAIL)

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

A total of 676 training programmes were conducted during 2021 including physical and virtual sessions on modules relevant for management and personal development

Throughout the pandemic, AALA has worked very closely with the Business Resilience Team and curated programs to establish meaningful connect with employees. It organised 12 webinars on COVID-19 and its management, mental well-being and resilience, covering a total of 4,511 employees, of which 1,882 were from Ambuja.

EMPLOYEE RETENTION (%)

2021	91.2
2020	94
2019	89
2018	88

3%
Share of women employees

10%
Targeted share of women employees by 2025

PLANT-SPECIFIC PROGRAMMES

We run some specific programmes to achieve consistent operations and standard maintenance within the plant along with operators, engineers and technicians for sustainable high performance.

Programme objective

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

HEALTH AND SAFETY

In the midst of an ongoing pandemic, our commitment towards safeguarding the health of our people and ensuring safety at the workplace has been further stepped up. The Business Resilience Team has worked proactively to safeguard our people, putting in place a set of dynamic guidelines that evolved with the situation. As a result, more than 99% vaccination (both doses) has been achieved for our employees, dependants and workers. In a challenging environment, we continued to keep sustainability at the heart of our operations, and ensured this through necessary emphasis on better H&S performance.

The year saw substantial improvement of this performance, demonstrated by the fact that we had zero onsite and offsite fatalities in all our operating units. Till date, we have achieved 101.8 million safe manhours in our operating plants without any major accident. During the year, we also reduced our Lost Time Injury Frequency rate (LTIFR) by 24% and Total Injury Frequency Rate (TIFR) by 21% vis-à-vis 2020.

While we worked towards making our sites safer, we also took significant steps in to reduce manual handling across the country through the installation of automatic conveyor systems at seven of our largest warehouses.

Focus on frontline safety

Our strategy in 2021 was to sustain performance with a focus on frontline safety. The journey was planned under six pillars i.e. Onsite Safety, Zero Harm Culture, Systems & Processes, Control of Health Risks, Road Fatality Reduction and Environmental Excellence. The actual output was assured through a strong governance and assurance system that reviewed deliverables on a monthly basis.

ONSITE SAFETY

- Further improve leading indicators- Hazards/ near misses/Visible Personal Commitments (VPCs)
- Focus on frontline implementation - Key lessons
- Strengthen job risk -Tool Box Talk and Permit to Work
- Ensure silo cleaning capability and process compliance
- Step up on electrical safety and work at height compliances
- Step change – safety culture at mines and wagon loading
- Better onsite vehicles and traffic safety (all plants)
- Zero tolerance for non compliance – consequence management

ZERO HARM CULTURE

- Visible frontline safety leadership – Boots on Ground (BOG)
- Review We Care, simplify and revitalise
- Strengthen behaviour-based safety
- Critical Control Management for 8 Priority unwanted event (PUEs) across ACL
- Improve and sustain housekeeping standards across all plants
- H&S competency – frontline (supervisors, workmen)
- Shop Floor H&S compliance – Don't walk past, H&S Rules, Use of tools

SYSTEMS & PROCESSES

- Digital transformation:
  - Training Management System
  - Long working integration with H&S app
  - Hazard reporting in iCare 2.0
- Unit Scorecard roll out for better assurance
- Robust implementation of occupation health procedures – ergonomics, asbestos, hearing conservation and vibration
- Pre-startup safety review and Health & Safety Management System implementation at Marwar

CONTROL OF HEALTH RISKS

- COVID-19 Compliance
- Fugitive emission control plan implementation
- Emergency Response Capability and Capacity – General medical response, COVID, WAH, CS
- Qualitative risk assessment for hazardous substance across all plants
- Industrial hygiene – Verification survey at 4 plants, noise control plan validation across ACL
- Reduce manual handling – conveyors at 15 large warehouses (15% of total volumes handled)

ROAD FATALITY REDUCTION

- >95% controlled fleet monitoring through compliant in-Vehicle Monitoring System (iVMS)
- >95% controlled fleet drivers InCab assessed
- Robust Reward & Recognition and consequence management implementation for truck drivers
- Minimum vehicle specifications compliance:
  - 100% load carriers with seat belts with >95% 3 point seat belts for controlled fleet
  - >95% Site Underwrite Protection Device (SUPD) and Rare Underrun Protection Device (RUPD) (controlled fleet)
- Greater focus on two and four wheeler safety

ENVIRONMENTAL EXCELLENCE

- Establish a systematic scheme / baseline for management of spillage/leakages of oils, lubricants, chemicals across plants related to:
  - Monitoring & Control
  - Engineering measures in transport, handling storage, processing or disposal
- Competency development of relevant personnel to prevent / control spills, leakages of oils, chemicals, etc. at critical locations
- Monitoring incidents and review of site-specific spill response plans for future improvements [Integrated Management System (IMS) integration, training record and inventory control

Safety journey highlights

- Safety Compliance Weeks conducted every quarter, focused on mandatory safe behaviours on the frontline
- Extending our successful behaviour-based program to another two units, covering all large plants (50% of total locations)
- Focused approach on improvement of safety culture as also H&S competency at mines
- Training and competency enhancement through a digital training management system, which led to an increase in training manhours by 55%
- Greater visibility of leadership teams on the frontline through a 'Boots on Ground' program, which was supported by an interactive digital app
- Program on critical controls so that no unwanted occupational injuries/incidents occurred around our highest risk areas; now formally verified on a quarterly basis
- Increased coverage of in-vehicle monitoring systems for the fleet of trucks used to carry our goods and enhancement of the capacity of In-Cab (Defensive Driving) assessors; each plant now has 1-2 assessors as per need
- Timely sharing of lessons learnt from incidents, supplemented by fair consequence management (both positive and negative reinforcement)
- Efficient execution of environment-related deliverables across the Company

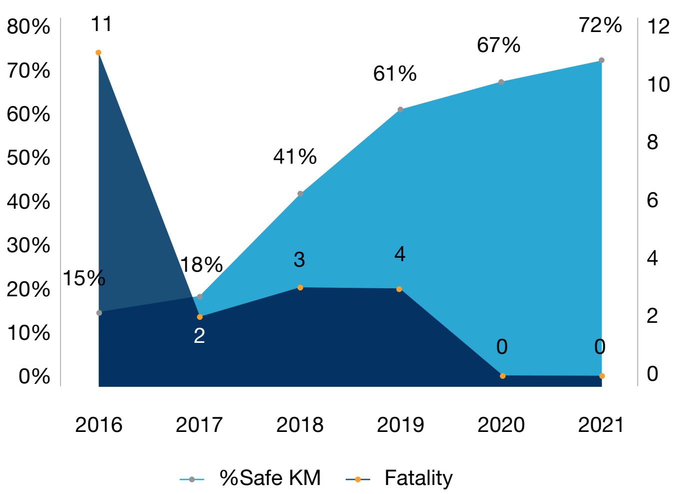
6,228
InCab assessments done in 2021

1,597
iVMS installations

34.7%
Reduction in offsite incidents with 67% lesser injuries through better monitoring and training

Safe journey

We have achieved two consecutive years zero road fatality. This was possible due to relentless efforts and passion of the teams involved for the past 5 years across all the sites of Ambuja Cement. We continued our focus around skill development and driving behaviour management based on critical inputs from TAC, backed up with consistent work around strengthening the process and lead measures. We moved from a meagre 14% Safe Km in 2016 to over 72% in 2021, achieved through driver behaviour management and learnt skills being applied while driving.



Outcomes

- 7 manufacturing units achieved Zero Harm in 2021
- 24% reduction in LTIFR against 2020
- 21% reduction in TIFR against 2020
- 21.20% increase in leading indicators vis-à-vis 2020
- Total injuries reduced by 23% over the years
- 6,228 In-Cab assessments and 1,597 iVMS installations made

78,976
hours of safety trainings in CY 2021

While we have delivered an excellent H&S performance in line with our values and long-term sustainability development goals, we are conscious of the need for continued commitment and efforts to better this performance. Our plan for this is in place and preparations are also in full swing to achieve the goals.

LOST TIME INJURY AND MEDICAL TREATMENT INJURY (NOS)

2021	24
2020	26
2019	36
2018	56

NEAR MISS MAPPING (NOS)

2021	1,768
2020	1,466
2019	1,349
2018	859

LOST TIME INJURY FREQUENCY RATE (PER MILLION HRS)

2021	0.21
2020	0.28
2019	0.40
2018	0.58

UPHOLDING A CULTURE OF ACCOUNTABILITY

We are guided by a strong value system and take pride in being a responsible corporate body that has consistently built upon its solid foundation of oversight. By abiding with the established laws and regulations, and ingraining a culture of compliance, accountability and ethical conduct across the organisation, we are upholding the best interests of our stakeholders.

Our business is underpinned by our adherence to high ethical standards and best practices in corporate governance. As a public company, we are committed not merely to guarantee consistent profitability to our shareholders, but also contribute to the economic growth of the nation by performing with integrity and in strict compliance with public laws and regulations. We are, at the same time, committed to work in the best interests of our stakeholders, which include not only our business partners, and employees but also the larger society we impact through our operations.

The Board of Directors at Ambuja Cement provides leadership to the Company, ensures that it delivers shareholder value, provides oversight and guides the management and approves the strategic objectives of the Company. Above all, it ensures that the Company is able to remain true to its obligations to the stakeholders and function in a sustainable way. The Board executes its duties in a way that involves careful risk considerations so that the Company is able to remain viable in the long term.

Our Board comprises of 15 Directors, 1 Executive and 14 Non-executive Directors, including 5 Independent Directors.

The Board supervises the performance of the Company and takes decision on its strategies while reviewing various aspects of its operations that includes, but is not limited to, risk management, sustainability and stakeholder relationship, among others. The Board holds regular meetings to review and give its opinion on various matters. The active involvement of the Board is evident from the fact that meeting attendance was 94% during 2021.

Ambuja Cement is the first company in the country to involve Board-level participation for compliance, with a committee formed specifically for this purpose and chaired by an Independent Director.

The senior management of the Company regularly updates the Board on key matters that concern and impact the business. At a special meeting every year, Board members are required to review and approve the business plan for the next year and give its feedback, which is addressed while drawing up the final plan. The Audit Committee and the Board also review and approve every related-party transaction. We seek the approval of the shareholders whenever necessary.

More than 46% of the Board members have been associated with the Company for five years or more. The average tenure of the Board during 2021 was six years.

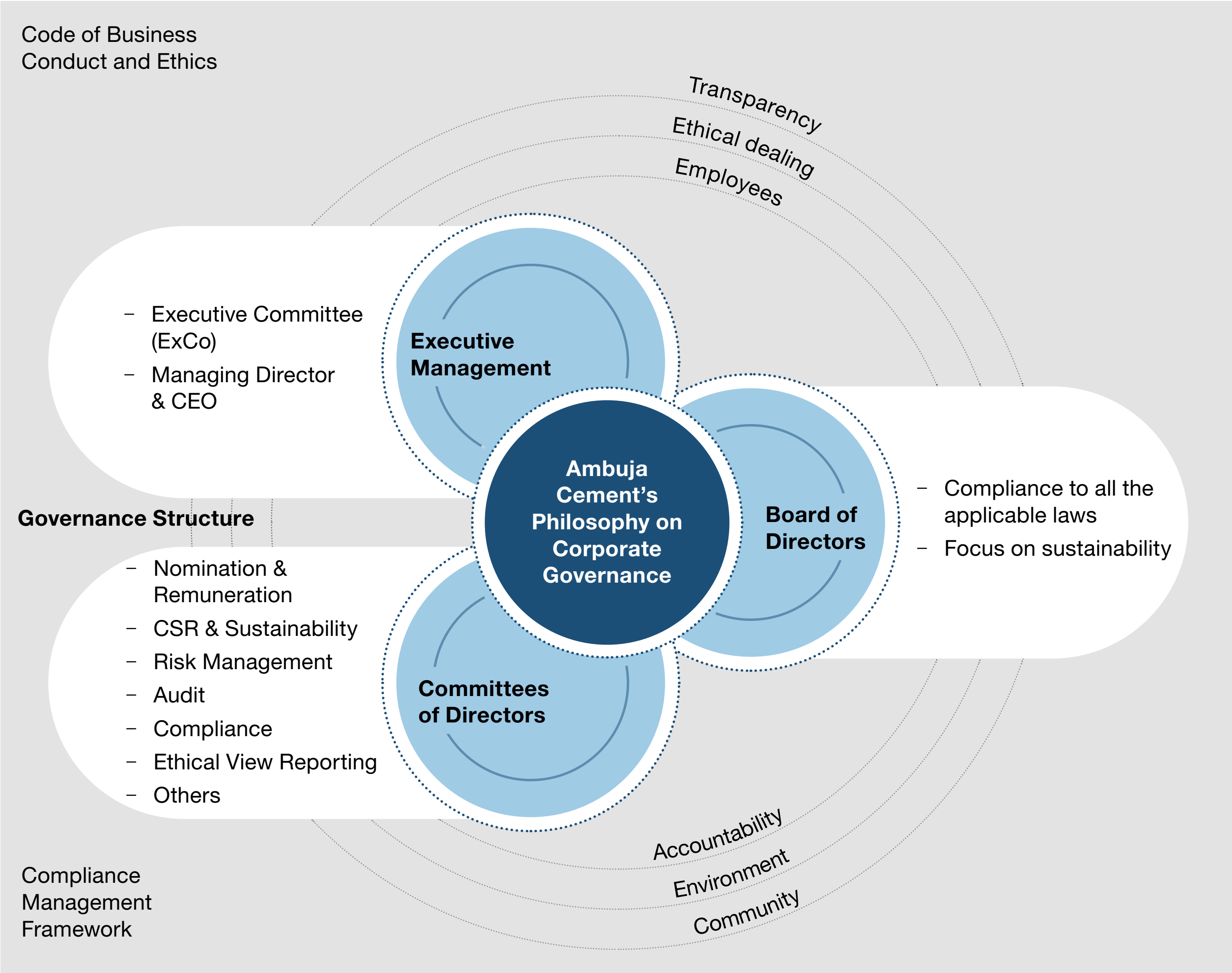
The senior management of the Company ensures that the Directors are regularly familiarised and updated on business processes and key activities. Interaction with the Holcim management is undertaken regularly and the Directors updated about the best practices and key events at the Group level. Details about the familiarisation programme can be accessed on the Company website at https://www.ambujacement.com/Upload/PDF/Familiarization-Programme-for-Independent-Directors.pdf.

A key matter that involves the Board is succession planning. Under the aegis of the Board, the Nomination and Remuneration Committee drives the succession planning process for the Company.

All related-party transactions are entered into on an arm's length basis and are compliant with the applicable provisions of the Companies Act, 2013 and the Listing Agreement. No materially significant related party transactions, having potential conflict with the interests of the Company at large, have been made by our Promoters, Directors and key managerial personnel among others. The details of the process to manage related-party transactions are provided on page 243 and those of transactions with related parties are provided in the financial statements that form part of the Annual Integrated Report 2021.

The Board ensures that the Company adheres to Environment, Social and Governance (ESG) parameters under various Board committees. It seeks regular updates on the functioning of each project and other specific updates.

GOVERNANCE FRAMEWORK



VALUES, ETHICS AND INTEGRITY

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

The Audit and Compliance Committees of the Board keep a stringent watch on the implementation and maintenance of ABCD and this is periodically reviewed by the Board. During 2021, we received 37 complaints, of which 13 complaints were pre-assessed, but did not warrant further investigation. About 22 complaints were investigated and concluded and 2 complaints are still under investigation. The investigated cases were mainly of the nature of kickbacks/favours from vendors (13%), violation of the Code of Conduct (55%) and non-Code of Conduct-related (32%). The financial impact of these cases was insignificant and caused no damage to the Company.

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

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

PREVENTION OF SEXUAL HARASSMENT (POSH)

We have a comprehensive POSH policy, which is overseen by the Chief Financial Officer (CFO). We practice a policy of Zero Tolerance towards any misconduct, particularly of sexual harassment. Any reported incident is investigated with due attention and appropriate decisions are taken based on the outcome of the investigation. During the year under review, we received one POSH-related complaint and it has been resolved.

INVESTOR GRIEVANCE

The Stakeholders' Relationship Committee is responsible for managing investor grievances, and is assisted by the registrar and share transfer agent of the Company. We had no pending complaints at the beginning of the year; and received 30 new complaints during the year. At the end of the reporting period, all complaints were addressed. Based on the nature of the queries/ complaints, we usually take seven days to a month to resolve investors' complaints.

RECOGNISED ACROSS PLATFORMS

The awards and recognition received during the year are testament to our efforts to create a difference in the industry.

Awards received during the year

1. 'Best Mobile Loyalty Program' for our contractor loyalty program, 'Ambuja Abhimaan', at the Customer Fest Leadership Awards Show 2021, under the Customer Loyalty category and 'Best Use of Influencer Marketing' in the B2C Content Marketing category at the MINT Marketing Summit 2021

2. 'DSIJ 2021 CFO Award' in Best Women CFO category for our Chief Financial Officer (CFO), Rajani Kesari, for demonstrating exceptional calibre and making remarkable contribution to Ambuja's growth in 2020

3. CII 3R Award under the category of Excellence in Managing Municipal Solid Waste' for Geocycle India for undertaking various projects to collect and co-process segregated municipal solid waste and plastic waste across the country

4. Punjab State Awards in Disability Sector 2021 for Ambuja Manovikas Kendra; 'Best Individual Professional' award for Ms Anupama for working for the cause of persons with disabilities 2021 and 'Best Sportsperson with Disability - 2021 (Female Category) for Ms. Priya Devi

5. Two awards for Ambuja Cement Foundation (ACF) at the ICC Impact Awards 2021 by the Indian Chamber of Commerce (ICC) recognising the Foundation's exemplary work in community development in Sankrail and Farakka, West Bengal

6. 'Best Cement Brand – East' award by Times Business Awards 2021 for Ambuja Cement for contributing significantly towards the growth and development of West Bengal

7. Gold Award in Training Excellence 2020 for Cement Excellence Manufacturing – (Techport) – Asia by Apex India Foundation, a non-profit that recognises excellence in various fields including in manufacturing

8. ICAI Awards for Excellence in Financial Reporting 2020-21 "Plaque" for category – Manufacturing and Trading Sector (Turnover equal to ₹3,000 crore or more) by the Institute of Chartered Accountants of India

9. ICAI International Sustainability Reporting 2020-21 "Plaque" for category – ICAI International Award on Climate Change

10. Audit World Summit 2022:
    1. Best Internal Audit team of the year in 'Manufacturing' Sector
    2. Audit Visionary Leader of the year – Mr. Prabhakar Mukhopadhyay
    3. Woman Audit Leader of the year – Ms. Vrinda Nai

Recognition

1

Ambuja Cement ranked 5th globally for consecutive second year by the internationally renowned Dow Jones Sustainability Index (DJSI) in the construction materials category, the only Indian company to be among the top five in the sector

2

Ambuja Cement recognised for leadership in corporate sustainability by global environmental non-profit CDP, securing a place on its prestigious 'A List' for tackling water security. Globally, Ambuja is the only cement company to have achieved this feat

3

Ambuja Kawach, the high-quality water-repellent cement brand of Ambuja Cement, became the first cement brand from India to be endorsed globally by the 'Solar Impulse Efficient Solution' label, a recognition of the Company's innovative product that protects the environment in a profitable way

4

Listed in GRIHA's (Green Rating for Integrated Habitat Assessment) green product catalogue for our blended cement; inclusion accelerated by the Company's commitment towards achieving Net Zero by 2050

5

11 operating mines of Ambuja Cement awarded 5-Star rating at the 5th National Conclave on Mines & Minerals 2021 for their efforts in implementing the Sustainable Development Framework (SDF)

6

Ambuja Cement Foundation (ACF) team in Dadri, Uttar Pradesh, felicitated by the Rotary Club for its outstanding contributions towards Water, Sanitation and Hygiene (WASH) initiatives over the years at the Rotary CSR Awards 2021


GRIHA Council

This is to certify that the products of

"Ambuja Cements Ltd."

Ambuja Cement (PPC), Ambuja Plus (PPC), Ambuja Compocem (Composite Cement- PCC), Ambuja Kawach (PPC/PCC)

(under typology PPC and Innovation (Environmental Product Declaration (EPD))

have been included in the GRIHA Product Catalogue under the following categories:

GRIHA v.3 criterion: 15 & 34;
GRIHA v.2015 criterion: 19 & 31;
GRIHA v.2019 criterion: 19 & 30
& SVAGRIHA: 11

These products can be used in GRIHA & SVAGRIHA registered projects to meet the GRIHA & SVAGRIHA norms, respectively. This is valid only for the products which have been mentioned above.

The certificate for the above mentioned products is valid from **10th December 2021 – 9th December 2023**

Sanjay Seth
Chief Executive Officer




GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Economic Performance & Value Creation									
Net Sales	₹ crores	201-1	8.1,8.2		10,977	11,353	11,175	13,794	
Direct Economic value generated	₹ crores	201-1			11,602	12,094	11744	14,185	
Payments to providers of capital	₹ crores	201-1			380	381	3,657	1,342	
Payments / Benefit to governments (taxes)	₹ crores	201-1			473	81	465	1,092	
Direct economic value distributed	₹ crores	201-1			10,403	10,894	13,448	13,210	
Economic Value Retained (=Economic Value generated - Economic value distributed)	₹ crores	201-1			1,199	1,200	(1,704)	975	
Operating costs	₹ crores	201-1			9,465	9,519	8,725	10,757	
Suppliers			**9.1.2, 9.3.32, 12.7.1, 10.7**		**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Number of Suppliers				√	7,874	8,359	7,681	8,312	
Number of local (Indian) suppliers		204-1		√	7,792	8,260	7,597	8,243	
Number of foreign suppliers				√	82	99	84	69	
% of suppliers identified as "High Risk" (for sustainability criteria aligned with Supplier Code of Conduct)		308-1, 308-2, 414-1, 414-2		√	7%	6%	7%	5%	
Number of Suppliers screened through Self Assessment Questionnaire (social, environmental aspects)				√	553	518	518	441	
Total suppliers assessed during the year				√	767	1,548	1,547	1,095	
No. of Suppliers with non compliance				√		96	116	165	
No. of suppliers with action plan				√		72	62	81	
No. of suppliers showed performance improvement				√		58	56	47	
Monetary value of payments made to suppliers	₹ crores			√	9,395	9,479	8,708	11,975	
Proportion of spending on local suppliers	%			√	96	98	92	92	
Expenditure on Raw Materials				√	-	-	-		
Imported	%			√	3%	6%	3%	0%	
Indian	%			√	97%	94%	97%	100%	
Expenditure on Spares					-	-	-	-	
Imported	%			√	11%	18%	32%	10.4%	
Indian	%			√	89%	82%	68%	89.6%	
Government relations				√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Political contribution	₹ crores	415-1, 201-1			Nil	Nil	Nil	Nil	
Total monetary value of financial assistance received from governments (grants, tax, reliefs and other finance benefits)	₹ crores	201-4 (a)			234	205	48	3	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Customer Satisfaction									
Overall Net Promoter Score (NPS)	%			√	54%	59%	79%	81%	
Data coverage (e.g. as % of revenues, customers, etc.):	%			√	NA	30%	65%	63%	
Environmental Performance					**2018**	**2019**	**2020**	**2021**	**Target 2021**
Number of plants (Cement, Grinding plants)	#			√	13	13	13	14	
Plants certified by 3rd party for ISO:14001 EMS	#			√	13	13	13	13	
Environmental investments	₹ crores	307-1		√	102	118	31	154	
Savings, cost avoidance, income, tax incentives, etc.	₹ crores			√	153	31	5	21	
Number of plants/quarries reporting non-compliance cases	#			√	Nil	Nil	Nil	Nil	
Fines or penalties paid for environmental non-compliances	₹				0	0	0	0	
Clinker Production Details			**8.4.1, 12.2**	√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Clinker Produced	Tonnes			√	1,56,75,998	1,53,16,910	1,41,58,685	1,74,00,911	
Clinker Consumed	Tonnes			√	1,58,08,639	1,55,29,918	1,43,77,385	1,63,08,019	
Limestone-Own mines	Tonnes			√	2,24,12,489	2,20,49,486	2,00,84,455	2,50,47,566	
Limestone Purchased	Tonnes			√	12,77,131	5,68,709	6,81,933	3,07,131	
Total Limestone	Tonnes			√	2,36,89,620	2,26,18,195	2,07,66,388	2,53,54,697	
Clay & Shale	Tonnes			√	5,34,998	5,70,698	6,16,836	7,36,159	
Silica corrective (Sandstone, Silica sand, Bed Material, China Clay)	Tonnes			√	1,46,371	84,074	82,335	85,797	
Gypsum used in Kiln Raw Mill (SO3-provider)	Tonnes			√	12,113	1,272	11,081	37,861	
Iron correctives (Iron ore, Iron scales, Laterite, Blue dust, Mill scales, LD Sludge, Tailing Waste)	Tonnes			√	2,12,172	2,24,672	1,65,588	2,05,228	
Alumina correctives (Bauxite, Flyash, Red ocre, Brown ocre, Low silica laterite)	Tonnes			√	1,56,880	2,12,648	1,96,682	2,90,624	
Bottom/Bed ash	Tonnes			√	27,293	13,599	18,703	22,807	
Cementitious Material produced	Tonnes			√	2,41,92,935	2,37,12,206	2,20,52,855	2,69,75,680	
Cement Produced	Tonnes			√	2,43,25,576	2,39,25,304	2,22,71,555	2,58,82,788	
OPC	Tonnes			√	24,27,930	26,28,100	22,87,536	27,53,041	
Blended (PPC and Composite)	Tonnes		9.4, 9.5, 12.2, 12.4	√	2,18,97,646	2,12,97,204	1,99,84,019	2,31,29,747	
Total Gypsum Consumption	Tonnes			√	11,44,383	12,82,712	13,82,839	17,42,899	
Natural Gypsum	Tonnes			√	7,09,570	7,95,359	9,61,902	13,41,655	
Synthetic & Phospho Gypsum	Tonnes			√	4,34,813	4,87,353	4,20,937	4,01,311	
Flyash/Chemical Additives	Tonnes			√	61,52,996	69,17,638	63,14,501	76,16,856	
Slag	Tonnes			√	95,343	1,82,498	2,81,879	2,06,015	
Total Raw Materials Used	Tonnes			√	5,57,66,446	5,45,43,703	5,03,21,341	6,14,47,692	
Total Recycled Raw Materials used	Tonnes			√	69,84,154	78,55,910	71,16,411	85,36,826	
% of Materials used that are Recycled Input Materials	%			√	12.52%	14.40%	14.14%	13.89%	

GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Alternative Material Rate	%			√	31.60	31.70	31.50	32.00	
Clinker factor (average % of clinker in cement)	%		9.3,9.4	√	64.99	64.91	64.55	63.01	
Share of Sustainable Products	%	301-2		√	90%	89%	90%	89%	
Revenue from Sustainable Products	%		12.5.1	√	92	89	89.5	89.5	
Sustainable Solutions Provided					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Instant Mix Proportion	No. of sites				36,647	43,433	14,721	14,824	
Modular Curing System	No. of sites				9,078	7,714	2,391	1,994	
Rain Water Harvesting System	No. of sites				282	893	253	100	
Water Saved (Credit) at Customer Sites	m3				2,38,200	2,22,760	68,598	49,600	
CO_2 emissions			**9.4.1, 12.2.2, 13.1**	√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Total **Scope 1** Direct emissions (Absolute gross: cement & onsite power generation)	Tonnes of CO2	305-1, GCCA		√	1,48,49,220	1,45,23,738	1,34,05,629	1,61,80,247	1,62,00,000
Total **Scope 2** Indirect Emissions from Imported Electricity	Tonnes of CO2			√	5,39,597	5,51,219	5,37,403	6,01,907	6,10,000
Total **Scope 3** emissions	Tonnes of CO2	305-3		√	19,32,218	19,73,623	17,55,911	19,38,531	
Number of Plants included in Scope-3 emissions				√	13of13	16of16	16of16	16of16	
CO2 from Alternate Fossil Fuel									
Biomass (kiln & non-kiln fuels)	Tonnes of CO2			√	1,76,348	1,56,599	1,26,038	1,80,010	
Other Alternate Fossil Fuels	Tonnes of CO2			√	1,52,876	1,67,498	1,42,687	1,61,658	
Specific Absolute emissions (Scope-1)	(kg CO2/t cement)			√	614	613	608	600	
Specific CO2 from CPP	(kg CO2/t cement)			√	77.9	74.8	71.6	65.0	
Specific Gross CO_2 emissions (Scope-1)	(kg CO2/t cement)	305-4, CSI		√	536	538	536	534.8	
Specific Net CO_2 emissions (Scope-1)	(kg CO2/t cement)	GCCA		√	530	531	531	528.8	
Reduction in Net CO_2 per tonne of cementitious product (Scope-1) relative to base year 1990	%	305-5		√	31.4%	31.3%	31.2%	31.5%	
Specific CO_2 emissions (Scope-2)	(kg CO2/t cement)			√	22	23	24	22	
Other atmospheric emissions		**305-7**		**√**	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Number of kilns reporting				√	9	9	9	10	
Coverage rate of CEMS (for dust, NOx, SOx)		GCCA		√	98	99	99	99	
SOx emissions	Tonnes	GCCA		√	1,029	1,031	974	1,966	1,200
NOx emissions	Tonnes	GCCA		√	26,886	20,150	17,888	16,073	22,000
Dust emissions	Tonnes	GCCA	11.6.2	√	530	371	507	466	500
Average Mercury (Hg) emissions	Tonnes			√	0.014	0.014	0.019	0.009	0.015
Average SOx specific concentration	g/tonne cement			√	42.5	43	44	72.9	
Average NOx specific concentration	g/tonne cement			√	1,111.3	850	811	595.8	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Average Dust specific concentration	g/tonne cement			√	21.9	16	23	17.3	
Energy									
Direct /Thermal Energy Consumption		**302-1**	**12.2**						
Kiln Fuel Consumption									
Coal	TJ			√	14,439	15,869	18,261	37,652	
Petrol coke	TJ			√	32,534	30,741	25,323	13,765	
Diesel oil	TJ		7.1,7.2	√	81	83	78	92	
Alternative fossil and mixed fuels	TJ		7.1,7.2	√	1,904	2,032	1,494	2,071	
Biomass fuels	TJ			√	895	613	406	714	
Non-Kiln Fuel Consumption					-	-	-		
Coal	TJ			√	13,395	14,823	14,402	14,781	
Petrol coke	TJ			√	3,296	1,658	1,295	750	
(Ultra) heavy fuel, bitumen	TJ			√	40	35	82	15	
Diesel oil	TJ			√	713	678	611	12	
Alternative biomass fuels	TJ		7.1, 7.2	√	748	834	917	893	
Total Energy consumption from Fossil and other fuels	TJ			√	68,044	67,368	62,869	70,745	
	MWh			√	1,89,01,043	1,87,13,323	1,74,63,736	1,96,51,445	
Direct Energy Consumed from Wind & Solar Power Generation	Crore Units (Kwh)			√	0.94	0.97	1.76	1.99	
	MWh			√	9,400	9,700	17,581	19,910	
	TJ			√	34	35	63	72	
Electricity Purchased/ Imported (Indirect Energy) (excl. Corp & mktg offices)	Crore Units (Kwh)			√	59	60	58	66	
	MWh			√	5,85,278	5,99,151	5,84,167	6,61,437	
	TJ			√	2,107	2,157	2,103	2,381	
Total Direct & Indirect Energy Consumption from all sources	TJ			√	70,185	69,560	65,036	73,198	
	MWh			√	1,94,95,721	1,93,22,174	1,80,65,485	2,03,32,792	1,83,19,459
Total Power Generation	MWh			√	13,28,759	12,92,962	11,72,722	13,30,346	
WHR Power	MWh			√	31,461	35,317	35,538	44,125	
Renewable Energy Generation	MWh		7.2, 7.3	√	9,432	9,888	16,611	35,264	
RE Certificates Purchased	MWh			√	0	65,506	0	1,89,910	
Total RE Consumed (Purchased or Generated)	MWh			√	9,432	75,394	16,611	2,25,174	
% of RE in total power generation	%			√	0.7%	0.8%	1.4%	2.7%	
% RE in total energy consumed	%			√	0.0%	0.4%	0.1%	1.1%	
Total installed RE capacity	MWh		7.3, 13.2	√	29.39	29.39	34.53	34.53	
Power and fuel expenses	Crore ₹			√	2,549.69	2,586.42	2,251.91	3,421.01	
Thermal energy efficiency	MJ/ton clinker	302-3	7.3, 9.4, 13.2	√	3,180	3,221	3,218	3,122	3,200
	KCal/Kg of Clinker			√	760.0	769.9	769.1	746.2	
Electrical energy efficiency	Kwh/ton cement	302-3	7.3, 9.4, 13.2	√	76.63	77	77	74	
Energy intensity based on Turnover	MWh/Cr				1,776	1,702	1,617	1,474	
LDO consumption	(Ltr/T of Clinker)			√	0.13	0.141	0.136	0.141	
Co-processed Waste (AF used)	Tonnes in lakhs		12.5	√	2.9	3.1	2.8	3.7	

GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Thermal Substitution Rate (% thermal energy from alternative fuels)	%	301-2		√	5.61	5.36	4.17	5.13	
Biodiversity and resources conservation			**15.1.1, 15.2.1, 15.5.1**	√					
Total number of quarries			15.3.1	√	10	10	10	14	
Total land disturbed	Ha	304 (1,3), MM1		√	1,607	1,618	1,719	1,966	
Total rehabilitated area	Ha			√	154	164	169	200	
Total land disturbed but not yet rehabilitated as presently used for working	Ha			√	832	716	1,550	1,732	
Approved mining plans of local authorities (% sites)	%	304-1		√	100	100	100	100	
% of sites with quarry rehabilitation plans in place	%	"304-3, GCCA"		√	100	100	100	100	
Number of biodiversity-sensitive sites				√	2	2	2	2	
Number of biodiversity-sensitive sites with Biodiversity Action Plans in place		GCCA		√	2	2	2	2	
Number of IUCN Red List species	Critically Endangered			√	1	1	1	1	
	Endangered			√	1	1	1	1	
	Vulnerable			√	3	4	4	8	
	Near Threatened			√	4	21	23	24	
	Of Least Concern			√	175	175	175	222	
Water					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Water Withdrawal		303-1	6.1,6.3, 6.6		-	-	-		
From groundwater	m3			√	23,08,324	21,33,706	17,59,402	17,39,842	
From surface water	m3			√	17,80,853	19,22,975	19,61,615	19,61,067	
From harvested rainwater	m3			√	14,64,778	18,28,799	14,93,686	19,58,135	
3rd party purchase/municipal water	m3			√	7,02,667	6,27,449	5,99,880	4,53,977	
Total Water Withdrawn	m3			√	62,56,622	65,12,930	58,14,583	61,13,021	
Recycled Water (from STP/ ETP/RO Reject etc.)	m3	303-3	6.3,14.1.1	√	9,20,043	9,74,101	8,64,554	9,42,165	
% of sites with water recycling	%				100	100	100	100	
% of water recycled	%			√	15%	15%	15%	15%	
Total water discharge	m3	306-1		√	51,872	63,939	48,831	24,168	
Total Net Freshwater Consumption	m3			√	47,39,972	46,20,191	42,72,066	41,30,718	45,00,000
Water Balance Index				√	6	8	8	8	
Specific Operational Fresh Water withdrawal	lit/t cement			√	63	68	77	58	
% of sites in water stressed area	%			√	23	30.7	39	39	
Outbound Logistics / Dispatches					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Sea (Bulk Cement Ships)	Mil. Tonnes			√	3	3	3	3.1	
Railways (railway/Rake)	Mil. Tonnes			√	6	6	5	6	
Road (Trucks & Bulkers)	Mil. Tonnes			√	15	15	15	17	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Total	Mil. Tonnes			√	24	24	22.2	26	
Sea	%			√	12%	13%	12%	12%	
Rail	%			√	25%	24%	23%	23%	
Road	%			√	63%	63%	66%	65%	
Road Direct Dispatch	%			√	57%	55%	60%	57%	
Lead Distance	Kms				283	276	278	248	
Waste management and recycling					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Hazardous waste generated	Tonnes	306-2	12.4.2	√	511	646	326	382	
Non-hazardous waste generated	Tonnes			√	3,83,200	4,14,287	3,42,071	3,92,501	
Total Waste disposed	Tonnes		11.6.1	√	73	45	24	54	100
Waste reused/recycled/sold				√	3,83,638	4,14,888	3,42,374	3,92,829	
Waste Mgmt System Data Coverage (%)				√	100	100	100	100	
Co-processed Waste (AF used)	Tonnes in lakh			√	2.9	3.1	2.8	3.7	
Plastic Wastes Co-processed	Tonnes			√	69,082	94,570	83,138	1,26,095	
HDPE Plastic bags used for cement packaging	Tonnes			√	32,008	34,839	33,368	35,677	
Plastic Negative Index = Plastic Wastes Coprocessed/Plastic packaging bags				√	2.2	2.7	2.5	3.5	
Total Waste Derived Resource consumed (Flyash, slag, AF,AR,Syn/phospho gypsum)	million tonnes			√	7.9	8.7	8.2	8.6	
Social Performance					2018	2019	2020	2021	TARGET 2021
Employment practices			**9.2.2**	√	**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Number of Permanent Employees		102-8		√	5,058	5,068	4,923	4,723	
Management staff				√	3,536	3,562	3,416	3,370	
Non-Management staff				√	1,522	1,506	1,507	1,469	
Male				√	4,940	4,943	4,798	4,586	
Under 30 years of age				√	452	415	414	329	
30-50 years of age				√	3,486	3,248	2,968	2,971	
>50 years of age				√	1,002	1,280	1,416	1,286	
Female		405-1		√	118	125	125	137	
Under 30 years of age				√	36	36	39	47	
30-50 years of age				√	72	78	73	77	
>50 years of age				√	10	11	13	13	
Female-Top management level			5.1.2	√	2	3	3	3	
Female-Senior management level				√	3	1	1	3	
Female-Middle management level				√	22	21	22	26	
Number of temporary/ contractual/casual Employees		102-8		√	5,995	6,392	6,057	6,177	
Male				√	5,972	6,364	6,030	6,151	
Female				√	23	28	27	26	
Number of Employees with Disability		405		√	21	6	11	10	
New employee hires		401-1	8.3, 8.9	√	376	555	142	342	
Male < 30 years				√	189	243	48	125	

GRI INDICATORS: SUSTAINABILITY PERFORMANCE (2018-2021)

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Male 30-50 years				√	159	265	72	176	
Male >50 years				√	11	13	9	9	
Female < 30 years				√	13	19	7	23	
Female 30-50 years				√	4	15	6	8	
Female >50 years				√	0	0	0	1	
Employee turnover (%)		401-1		√	12.36	10.8	6.36	8.76	
Notice given for operational changes				√	1 month	1 month	1 month	1 month	
Employee Engagement Score				√	NA	NA	NA	NA	
Employee grievance procedures in place				√	Yes	Yes	Yes	Yes	
Anonymous grievances submission				√	Yes	Yes	Yes	Yes	
No. of training programs conducted (Total)				**√**	**12,096**	**457**	**702**	**676**	
Top Management Level				√	68	16	30	29	
Senior Management Level				√	956	105	150	151	
Middle Management Level				√	5457	164	238	236	
Other org. levels (FML & Wage Board)				√	5615	172	284	260	
Hours of training per employee	**hrs / employee**	**404-1**		**√**	**18.05**	**6.3**	**11**	**8**	
Top Management Level	hrs / employee			√	2.68	7	5	4	
Senior Management Level	hrs / employee			√	5.44	14	13	8	
Middle Management Level	hrs / employee			√	4.28	17	13	9	
Other organisational levels (FML & Wage Board)	hrs / employee			√	5.65	4	11	11	
Ratio of % increase in annual total compensation for the highest-paid individual to the median % increase in annual total compensation for all employees				√	17.85	-1.36	0	1.2	
Ratio of Management level salary (Base) (Female:Male)						1.01	1.17	1.36	
No. of employees who opted parental leave					7	8	7	3	
No. of employees who resumed office after parental leave					6	6	6	2	
No. of employees who are still on parental leave					1	2	1	1	
Health and Safety			**8.1,8.2**		**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
% of workforce represented by committees.	%	403-1		√	100	100	100	100	
% Plants with joint health and safety committees	%	403-1		√	100	100	100	100	
Plants certified with OHSAS 18000				√	All	All	All	All	
Safety training Hours (Total)	Hours			√		93,409	71,726	78,976	
Directly Employed (own and subcontractors)	Hours			√		9,657	9,482	18,322	
Indirectly employed (3rd party service providers)	Hours			√		11,506	19,168	27,484	
Drivers	Hours		3.6, 11.2	√		72,246	43,076	33,170	

		GRI Std. / GCCA KPIs	SDG Target	Assurance	2018	2019	2020	2021	TARGET 2021
Total Fatalities		403-2		√	5	4	0	1	
Employee Onsite				√	0	1	0	0	
Employee Offsite				√	0	1	0	0	
Contractor Onsite				√	2	0	0	1	
Contractor Offsite				√	2	1	0	0	
Third parties				√	1	1	0	0	
Lost-time injury frequency rate (LTIFR)	#/million Hrs.	403-2		√	0.58	0.40	0.28	0.21	
LTIFR Employee	#/million Hrs.			√	0.64	0.52	0.33	0.08	
LTIFR Contractor Onsite	#/million Hrs.			√	0.54	0.34	0.25	0.26	
Directly employed (Own & subcontractors onsite)				√	0.64	0.52	0.33	0.08	
Indirectly employed (3rd party service providers on site)				√	0.54	0.34	0.25	0.26	
Lost-time Incident Severity Rate (LTISR)				√	44.09	13.21	10.75	14.43	
LTI & MTI				√	56	36	26		
Occupational Diseased	Nos.	403-2		√	0	0	0	0	
Occupational Illness Frequency Rate(OIFR)	number/ million work hrs.			√	0	0	0	0	
Community involvement					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Community investments (Benefit to communities)	₹ Crore	201-1		√	53.46	62.57	53.97	64.41	
Net New Direct Beneficiaries in the year	Number				3,07,997	1,66,967	1,13,301		
Total number of beneficiaries in the year	Millions	203-1 413-1	11.2	√	2.4	2.6	2.7	2.8	
Stakeholder engagement at local level:-Stakeholder dialogues, Need assessment. Stakeholder involvement in CSR planning, Community advisory panels, Community engagement plan.	% of sites	102-43		√	100	100	100	100	
Employee Volunteering									
Total Hours	Hrs				1,832	1,044	229	2,826	
Paid Working Hours	Hrs				1,035	788	181	2,826	
Monetary value of Paid Working Hours	₹ million				0.29	0.22	0.05		
Public Policy					**2018**	**2019**	**2020**	**2021**	**TARGET 2021**
Contribution/spending to trade/commerce/industry associations and initiatives	₹ million				1.9	1.1	0.73	8.7	

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

Independent Assurance Statement

Introduction and Engagement

Ambuja Cements Limited (hereafter 'ACL' or 'the Company') engaged TUV India Private Limited (TUVI) to conduct the independent Non-Financial assurance of Integrated Report (hereinafter 'the Report'), which includes "reasonable assurance" of ACL Sustainability information for the applied reporting period, 1st January to 31st December 2021. The remote verification was conducted in January and February 2022 for the Bhatapara plant, Chhattisgarh and ACL, Head Office, Mumbai together with a desk review carried out for all other ACL sites within the reporting boundary.

Scope, Boundary and Limitations of Assurance

The scope of the Sustainability assurance includes following

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

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

Integrated Cement Plants with limestone mines: *1. Ambujanagar (Gujarat) 2. Darlaghat (Himachal Pradesh) 3. Marathe Cement Works (Maharashtra) 4. Rabriyawas (Rajasthan) 5. Bhatapara (Chhattisgarh) 6. Marwar (Rajasthan)*

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

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

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

Verification Methodology

The Report was evaluated against the following criteria:

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

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

Sustainability Assurance Service

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

Opportunities for Improvement

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

- The addition of new plant of Marwar, will lead to increased market share of ACL. ACL can develop benchmark for GHG emissions, to meet the SBTi based corporate level targets;
- The preliminary TCFD study was performed in 2017; efficiency level, technology measures, market share have varied. The latest review of financial risk aligned with TCFD requirements may be performed in near future;
- ACL level program to install flow meters should be reviewed to improve the accuracy of monitoring of treated water quantities;
- The existing supplier records AVETA gets overwritten with time, this limitation needs improvement;
- ACL can further improve waste related disclosures by reviewing the GRI disclosure requirements following the GRI 306 2020.

Conclusions

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

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

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

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

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

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

Evaluation of the adherence to AA1000 AccountAbility Principles

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

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

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

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

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

TUV's Competence and Independence

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

For and on behalf of TUV India Private Limited

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 24/02/2022
Place: Mumbai, India
Project Reference No: 8119962093
www.tuv-nord.com/in

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Sustainability Assurance Service

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MANAGEMENT DISCUSSION AND ANALYSIS

Setting new benchmarks in sustainability

Powered by the vision of emerging as the most competitive and sustainable cement company in India, Ambuja Cement is setting new benchmarks across sustainability parameters in the country's cement sector. Following the lead of our parent company Holcim, we have developed and validated our 2030 carbon emission reduction targets by the Science Based Targets initiative (SBTi), aligned with the reductions required to limit global warming to below 2°C. Besides, we have taken another stride towards strengthening our climate change adaptability by joining the 'Race to Zero'.

HIGHLIGHTS 2021

AUGMENTING CAPACITIES

Driven by the rebound in real estate demand after a prolonged period of sluggishness, the Indian cement industry is registering a strong growth momentum. The government's push towards infrastructure creation is also driving demand for cement in the country.

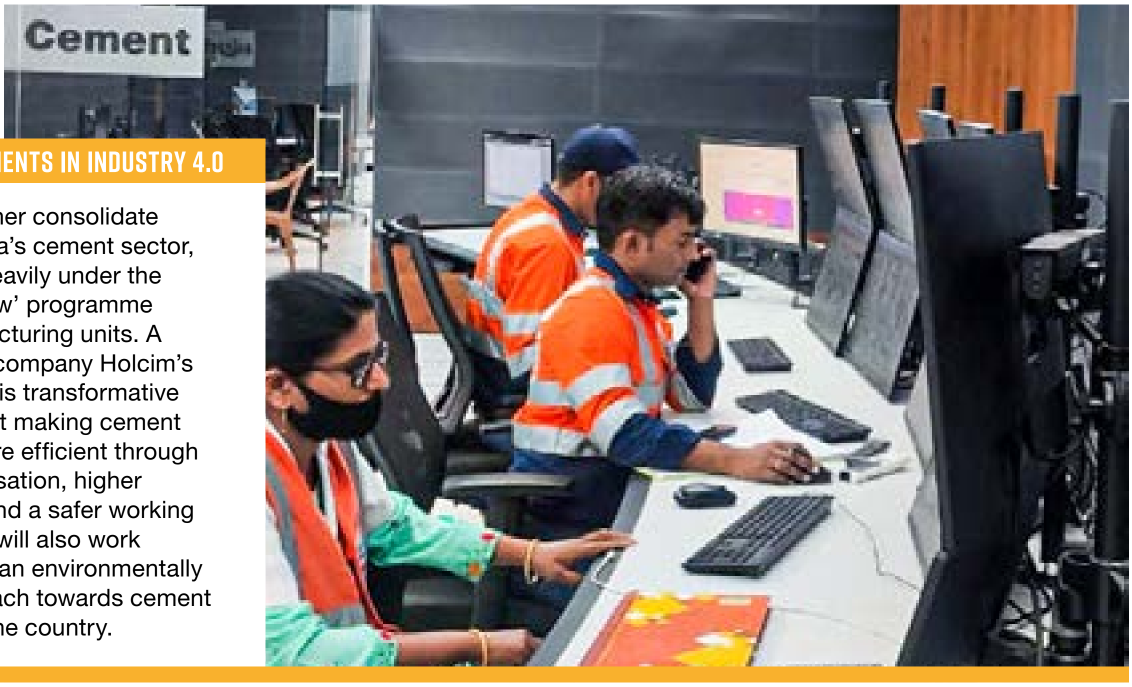
To capitalise on market opportunities and to strengthen our positioning, we have already commenced the commercial operations of our greenfield unit at Marwar, Rajasthan. This has helped increase our clinker capacity by 3 MTPA and cement manufacturing by 1.8 MTPA. Further, we have embarked on a brownfield expansion of 1.5 MTPA grinding unit at Ropar, Punjab.

₹310 CRORE

Committed investment to ramp up capacity at the Ropar unit

STEPPING UP CAPABILITIES

We are taking multi-pronged initiatives to strengthen our capabilities, including securing raw material linkages, augmenting captive green energy capacities, and enhancing efficiencies. At the Gare Palma coal mine, we have started underground mining operations this year, providing fuel linkage to our Bhatapara plant in Chhattisgarh. Further, we have made the railway siding operational at our Rabriyawas plant to facilitate efficient raw material unloading and cement loading. Waste heat recovery systems (WHRS) of 80 MW are under various stages of implementation across plants to help us increase the use of green energy as well as optimise resource utilisation.



AMPING UP INVESTMENTS IN INDUSTRY 4.0

With a view to further consolidate our position in India's cement sector, we are investing heavily under the 'Plants of Tomorrow' programme across our manufacturing units. A part of our parent company Holcim's growth strategy, this transformative programme aims at making cement manufacturing more efficient through better plant optimisation, higher plant availability, and a safer working environment. This will also work towards achieving an environmentally sustainable approach towards cement manufacturing in the country.

SCALING NEW HEIGHTS IN ENVIRONMENTAL STEWARDSHIP

Our relentless efforts towards water conservation have been lauded by the global non-profit charity CDP. We have secured a place on CDP's 'A List' for tackling water security. This achievement reaffirms our will to remain committed to addressing water scarcity issues in the future, and contribute to the establishment of a sustainable tomorrow.

SNAPSHOT 2021

₹1,160 CRORE
Spent towards capex

2.8%
Reduction in freight and forwarding cost per tonne

₹64.41 CRORE
Spent on CSR activities

#5
DJSI ranking

8X
Water positive

80 MW
WHRS

Economic review

GLOBAL ECONOMY

The global economy grew by 5.9% in 2021 following a contraction of 3.1% in 2020 (Source: IMF World Economic Outlook, January 2022).

Countries across the globe focused on vaccination coverage and implemented various economic stimuli to minimise the impact of COVID-19 and hasten economic recovery.

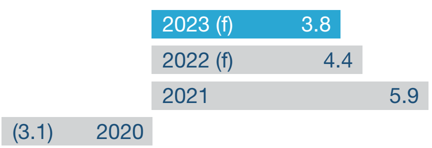
The growth momentum started slowing towards the end of 2021, as the effects of fiscal and monetary stimuli dissipated along with the onset of the Omicron variant of COVID-19.

OUTLOOK

While the early forecast for global economic growth in 2022 is pegged at 4.4% (Source: IMF World Economic Outlook, January 2022), the recent geo-political tensions and conflict in Ukraine will weigh on global growth projections and also lead to high inflation in the short term.

Other downward risks to the global growth outlook are emergence of new COVID-19 variants, supply chain disruptions, energy price volatility and increased occurrence of extreme climate events.

GLOBAL ECONOMY (Y-O-Y GROWTH %)



Data is for Calender Year-January to December, f=Forecast

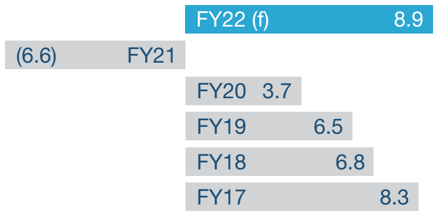
Source: IMF World Economic Outlook, January 2022

INDIAN ECONOMY

Economic growth in the current financial year is poised for a sharp recovery compared to that in the previous financial year. The April-June quarter of the current fiscal saw the second wave of the pandemic sweep through the country and tested our health infrastructure to its limit. However, localised and selective lockdowns ensured that its impact on economic activity was relatively cushioned.

The government successfully rolled out the world's largest vaccination program and this, combined with continuing monetary and fiscal support, helped the economy bounce back with an estimated real GDP growth of 8.9% this year compared to a contraction of 6.6% in the previous year.

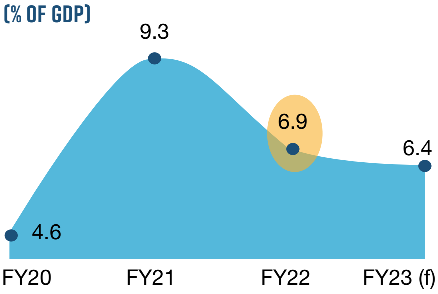
REAL GROSS DOMESTIC PRODUCT (Y-O-Y GROWTH %)



Source: National Statistical Office (NSO), Government of India

The fiscal deficit for 2021-22 is expected to moderate to 6.9% of GDP from the previous year's high of 9.3% of GDP, which was primarily driven by the socio-economic welfare expenditure on the pandemic. The government has targeted a further improvement to 6.4% of GDP for the next fiscal (April 2022-March 2023).

FISCAL DEFICIT TO MODERATE TO 6.9% OF GDP IN FISCAL 2022; SHARP IMPROVEMENT OVER 9.3% IN FISCAL 2021 (% OF GDP)



FY=Fiscal, f=forecast,

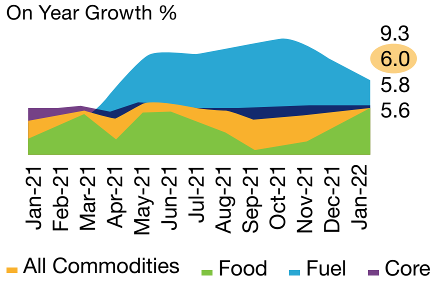
Fiscal 22= April 2021 to Mar 2022

Fiscal 23= April 2022 to Mar 2023

Source: Union Budget 2022, Government of India

INFLATION TOUCHED RBI'S TOLERANCE LIMIT OF 6.0% IN JANUARY 2022

On Year Growth %



Source: National Statistical Office (NSO), Government of India

OUTLOOK

While initial forecasts of real GDP growth for fiscal 2023 (April 2022-March 2023) are in the range of 7.5% to 8.0%, the recent geo-political developments in Ukraine pose a downside risk. Inflation is also expected to remain elevated in the near term.

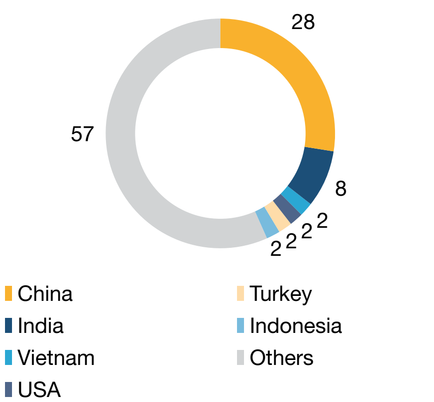
Other key factors which can impact growth in the coming year are energy prices and the future trajectory of the COVID-19 pandemic.

INDUSTRY INSIGHT

Cement industry

India is the second largest cement producer in the world, accounting for ~8% of global cement production with an estimated production capacity of 550 MTPA. Its per capita cement consumption is less than half the world average of 525 kg.

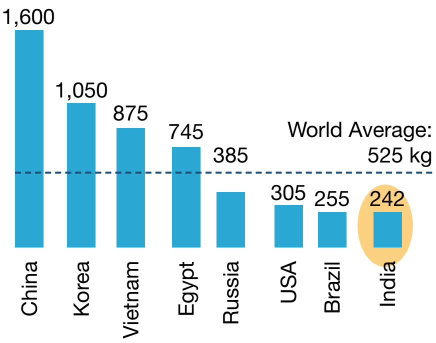
SHARE IN GLOBAL CEMENT PRODUCTION (%)



Source: United States Geological Survey, Mineral Commodity Summaries, January 2022; CRISIL Research

Calendar year - January 1 to December 31 | Financial year - April 1 to March 31

PER CAPITA CEMENT CONSUMPTION (KG)



Source: United States Geological Survey, Mineral Commodity Summaries, January 2022; CRISIL Research

Cement demand grew by an estimated 13.0% y-o-y in the calendar year 2021 (January to December) compared to a 8.6% y-o-y drop in calendar year 2020.

Demand grew robustly during the first nine months of calender year 2021 but heavy unseasonal rains and shortage of sand in some regions led to a contraction in growth in the last quarter of the year (October-December 2021).

Government infrastructure spending, pent up demand in the real estate segment and continuing rural demand for affordable housing remained the major drivers for cement consumption in calender year 2021. Demand growth in the industrial/commercial segment was relatively lower.

OUTLOOK

Cement demand is expected to grow at more than 7% y-o-y in calendar year 2022. The key drivers will be –

a. Structural demand for housing due to continued shortage of housing stock

b. Increase in rural incomes over recent years to further supplement cement demand for individual housing

c. Healthy infrastructure growth over the next five years led by the government push to expedite the National Infrastructure Pipeline (NIP)

d. Growth in industrial/commercial segment driven by requirement of warehousing space due to e-commerce boom and data centres for back offices

KEY STRUCTURAL DRIVERS

I. Housing

The government continues to focus on its flagship affordable housing scheme, the Pradhan Mantri Awas Yojana (PMAY). While the execution of PMAY (Urban) slowed down in fiscal 21 (April 2020-March 2021), it will see a sharp uptick over the next 2-3 years.

Rural affordable housing saw a sharp pick-up in fiscal 2021 (April 2020-March 2021) and the strong execution is expected to continue in fiscal 2022 (April 2021-March 2022).

Of the total housing units targeted till 2025, 47% have been completed under PMAY (Urban) and 57% under PMAY (Rural).

PMAY	Target till 2025 (mn houses) (A)	Completed* (mn houses) (B)	Completed (%) (B as % of A)
PMAY (Urban)	11.4	5.4	47%
PMAY (Rural)	29.5	16.9	57%

*Data till December 2021
Source: Ministry of Housing and Urban Affairs

The Union Budget 2022 has allocated ₹48,000 crore towards the PMAY scheme and completion of 8 million houses is envisaged in fiscal 2023 (April 2022-March 2023).

Activity in residential housing projects across towns and cities has also witnessed a sharp rebound and is approaching pre-COVID levels.

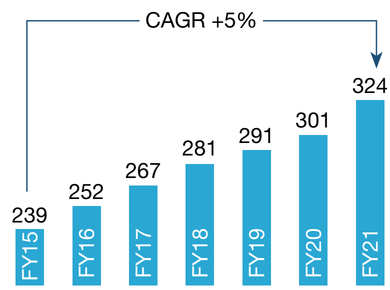
II. Increase in rural incomes

Rural income in the recent years has increased due to higher returns on cultivated produce and increase in budgetary outlay for various rural income schemes such as Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), PM Kisan, fertiliser subsidy scheme and Pradhan Mantri Grameen Sadak Yojana (PMGSY).

Coupled with higher kharif and rabi output (increase of 2% y-o-y) and increase in minimum support price for major crops (paddy, wheat etc.), farmer income from cultivation and allied activities are set to improve further.

Average daily rural wage rates have gone up by 5% CAGR over the last six years.

AVERAGE DAILY WAGE RATES IN RURAL INDIA (₹)



FY=Fiscal year starting April to March
Fiscal 21= April 2020 to Mar 2021
Average Daily Wage is simple average of construction, horticulture, general agriculture and non-agriculture daily wage

Source: RBI-Handbook of Statistics on Indian States

III. Infrastructure

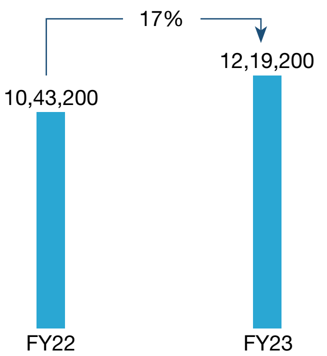
The infrastructure sector is expected to record healthy growth over the medium term led by the government's thrust on the National Infrastructure Pipeline.

The NIP projects are worth ₹111 lakh crore and 80% of this are to be invested in road, energy, urban rail and irrigation sectors.

National highway and road development has been resilient through the pandemic and the momentum is expected to continue. The Union Budget 2022 has set a target to construct 25,000 kms of national highways and has increased allocation for PMGSY by 36%.

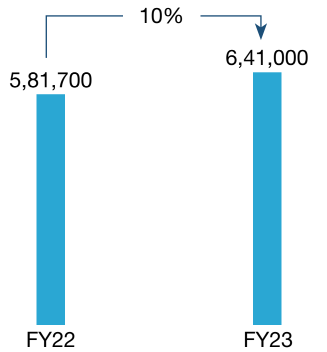
The overall capital expenditure allocation in Union Budget 2022 for fiscal 2023 is up by 17% y-o-y with the allocation for core infrastructure sectors improving by 10% y-o-y.

OVERALL CAPITAL EXPENDITURE (₹ CR.)



FY 2022= April 2021 to Mar 2022
FY 2023= April 2022 to Mar 2023

CAPITAL EXPENDITURE FOR CORE INFRASTRUCTURE SECTORS (₹ CR.)



FY 2022= April 2021 to Mar 2022
FY 2023= April 2022 to Mar 2023

Source: Union Budget 2022

The government's proposal to grant infrastructure status to data centres and energy storage systems and its focus on multi-modal logistics parks and cargo terminals will also be a positive factor for cement demand in the coming years.

Business review

OPERATIONAL AND FINANCIAL PERFORMANCE

With an installed capacity of 31.45 MTPA of cement, we continue to be a leading cement player in India with the retail segment contributing to ~80% of our sales. Our wide range of products, comprising Ordinary Portland Cement (OPC), Pozzolana Portland Cement (PPC), and Pozzolana Composite Cement (PCC), along with other sustainable and innovative building materials and solutions, provides our customers a wide range of choices.

A year of robust performance

After a challenging 2020, we entered 2021 with renewed vigour and optimism, backed by strong demand from the retail segment. Our greenfield integrated unit at Rajasthan commenced operations in September 2021 and is expected to bolster our growth in the coming years. While rise in input cost put pressure on our margins, we undertook a host of cost optimisation initiatives that led us to absorb the impact. Meanwhile, our continued focus on premiumisation led to an increase in realisations.
We strengthened our distributor network further during the year under review.

To secure raw material supply for our operations, we continued to invest in acquisition of mines (limestone) across locations. Besides, several projects were initiated to optimise fuel and freight costs, accelerate digital transformation across plants, and improve efficiency.

Through Ambuja Cement Foundation (ACF), we continued to support communities across villages during the pandemic. We conducted awareness and input sessions for the entire ACF staff, health workers and beneficiaries in order to break myths and rumours surrounding vaccination. We mobilised COVID-19 vaccination drives and camps in nearby villages with the help of the local administration. Several oxygen concentrators were provided by ACF during the second wave.

Sales

- Backed by strong retail demand, cement sales volume reported a growth of 17% despite the challenging April-June quarter of 2021, when the second wave resulted in local restrictions and inflationary pressures. Cement production stood at 25.89 million tonne, reflecting a growth of 16% over 2020
- Sales value reported 23% increase, owing to stronger volumes as well as an increase in realisations
- There has been an increased penetration of value-added products, resulting in an increased realisation of 3.5% per tonne of cement, from ₹4,930 per tonne in 2020 to ₹5,105 per tonne in 2021
- Our strong market pull-and-push strategies, along with cost optimisation and product improvisation initiatives, helped in strengthening the sales of special products. The segment made up 17% of the trade sales revenue in 2021

86%

Capacity utilisation in 2021, driven by stronger market demand

Financial performance

- Revenue from operations reported a growth of 23% from ₹11,372 crore in 2020 to ₹13,965 crore in 2021. The growth can be attributed to robust market demand as well as improvement in realisations
- We embarked on several cost optimisation measures, which helped in absorbing hikes in the costs of various inputs and enhanced profitability. We reported 21.2% growth in the operating EBITDA for the year, from ₹2,647 crore in 2020 to ₹3,207 crore in 2021. The net profit for the year registered 16.2% growth, from ₹1,790 crore in 2020 to

₹2,081 crore in 2021. The operating EBITDA margin declined 40 bps while net profit margin declined 90 bps

- The earnings per share for the year stood at ₹10.48
- Raw material costs per tonne increased by 8.8% due to increase in input material cost
- Power and fuel costs per tonne increased by 27% due to steep increase in fuel prices
- Logistics cost per tonne decreased by 2.8%. This was a result of our digitalisation efforts in logistics as well as increased volume under master supply agreement with ACC Limited
- The cash generated from the business declined by 5% from ₹2,606 crore in 2020 to ₹2,466 crore in 2021

Performance of material subsidiary

ACC Limited, the material subsidiary of Ambuja Cement, is among the leading cement companies in India with an installed capacity of 34.45 MTPA. The performance of the company during the year has been summarised below:

- Cement sales volume for the year increased 13% at 28.9 million tonnes
- Revenue for the year stood ₹16,152 crore, reflecting a growth of 17%. The operating EBITDA reported 27% increase in 2021 to reach ₹2,998 crore, largely owing to the cost control initiatives undertaken by the company
- Profit after tax for the year stood at ₹1,863 crore, reflecting a growth of 30% over ₹1,430 crore reported in 2020

Market development initiatives

- We continued to bolster Below the Line and Above the Line activities to strengthen our market penetration across geographies
- Revived and launched a new campaign trail with 'Viraat Comprehensive Strength' to connect with customers across digital platforms, and mainline and regional television channels
- Strengthened market penetration with an addition of 1,850 new dealers across markets
- Remained connected with customers through digital platforms by conducting virtual meets
- Commissioned the Marwar plant during the year which is further expected to bolster our market presence in the North Western region of the country
- Focused approach helped strengthen sales of 'Kawach'
- Undertook various initiatives to strengthen our relationship with architects, engineers, contractors, and masons to enhance the experience of our end-consumers

OUTLOOK

Going ahead, our focus will continue to remain on strengthening the share of value-added products in our portfolio. We will further strengthen our market penetration by entering into newer geographies. We aim to further augment our capacities through brownfield expansions, as well as de-bottlenecking initiatives across our existing units. Sustainability will remain the focus area in whatever we do.

Key financial ratios

INVENTORY TURNOVER RATIO (DAYS)

2021	12.48
2020	13.14

ASSET TURNOVER RATIO (X)

2021	1.68
2020	1.52

CURRENT RATIO (X)

2021	1.26
2020	0.98

RETURN ON AVERAGE CAPITAL EMPLOYED (%)

2021	13.10
2020	11.50

NET PROFIT MARGIN (%)

2021	15.10
2020	16.00

OPERATING EBITDA MARGIN (%)

2021	23.30
2020	23.70

RETURN ON NET WORTH (%)

2021	9.80
2020	8.40

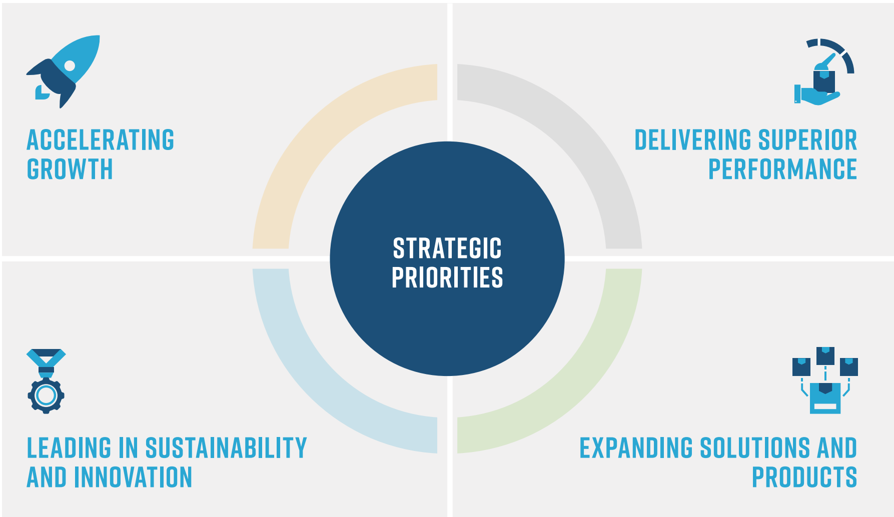
DEBTORS TURNOVER RATIO (X)

2021	56.92
2020	31.71

For a detailed discussion on financial capital, please refer to **Page 42**

Strategic priorities and progress

Aligned with our parent company Holcim, we have realigned our strategic priorities around four pillars.



ACCELERATING GROWTH

Given the low per capita cement consumption in comparison to the global average, and the continued focus on infrastructure and housing sectors, cement demand in India is expected to grow strongly in the foreseeable future. As an established player in the industry, our ambition is to grow profitably in this flourishing market.

During 2021, we successfully commissioned our integrated greenfield facility at Marwar, in Rajasthan, enhancing our annual clinker capacity by 3 MTPA and the cement capacity by 1.8 MTPA. We have finalised on brownfield expansion of 1.5 MTPA cement at our existing plant in Ropar, Punjab.

32.95 MTPA

Expected capacity by the end of 2023

LEADING IN SUSTAINABILITY AND INNOVATION

Sustainability is a core value for Ambuja Cement with clearly defined strategic goals as enunciated in our Sustainable Development Plan 2030 (SDP 2030). By 2030, we aim to reduce our CO_2 emissions per tonne of cement to 453 kg (excluding captive power plant), and to also reuse 18 million tonnes of waste-derived resources. Our target is to be 10x water positive, and to positively impact the lives of 3.5 million beneficiaries through our various Corporate Social Responsibility programs across the country.

Low CO_2 cement is a key focus area to achieve our sustainability goals. We are also actively working to increase the share of green power in our overall power mix, and investing in Waste Heat Recovery Systems with 40 MW of projects in progress, and another 40 MW in the pipeline.

The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a well-below 2°C trajectory.

DELIVERING SUPERIOR PERFORMANCE

This pillar focuses on superior performance of our existing portfolio through premium variants, cost efficiency projects, enhancing our people capabilities and digitalisation of systems and processes.

Premium variants

We are reinforcing our core position in profitable markets and in the retail segment through a wide range of premium offerings – Ambuja Plus, Ambuja Kawach, and Compocem. This will enhance our brand image and improve our average realisations.

Cost efficiency projects

The ongoing initiatives under ICAN - our flagship program - continue to deliver significant improvements across our value chain. A key focus in the coming year will be to further improve logistics efficiencies by reducing lead and delivery cost, ensuring direct dispatches from rake points, network optimisation, and leveraging our Master Supply Agreement with ACC Limited.

People capabilities

Employees remain our key assets and we have been taking initiatives for their holistic development. Under our 'People of Tomorrow' initiative, we are developing our talent pool to meet our strategic objectives. We are plugging gaps across functions and continuously developing the team. Considering the lingering impact of the pandemic, we have initiated multiple initiatives to ensure the mental and financial well-being of our employees.

We are committed to creating a diverse and inclusive workplace. During the year, out of the new employees hired, 9% of them were women.

We have undertaken structured initiatives to identify leaders of tomorrow and encourage internal employees to assume strategic roles. Our pool of future leaders will help us achieve long-term business goals.

₹678 CRORE

Employee benefit expenses in 2021

Digitalisation of systems and processes

We will continue to strengthen our digital footprint across our value chain - from our operations and distribution to our customer interfaces. The market- focused digital initiatives, implementation of the 'Plants of Tomorrow' initiative, and leveraging digitalisation in logistics will be the key drivers for superior performance.

Expanding solutions and products

Our solutions and products portfolio (temperature-resistant concrete blocks, micro-fine mineral additives and maturity sensors), while nascent, aims to complement our strength in our core cement business, and cater to specialised applications. We will continue to scale up volumes and revenue, and strengthen our position in this segment. Our aim in 2022 is to augment top line revenue growth by more than 40% in solutions and products.

Read more on **Page 26**

Risks and areas of concern

Our comprehensive Enterprise Risk Management (ERM) framework helps us identify risks and opportunities and monitor their movement. It ranks each risk based on two parameters:
a) likelihood of the event and
b) the impact it is expected to have on the Company's operations and performance to form a risk heat map. The risks that fall under the purview of high likelihood and high impact are identified as primary risks. ERM also identifies the potential emerging risks.

This structured process of identifying risks supports the management in making strategic decisions and in developing detailed mitigation plans. The identified risks are then integrated into the Company's planning cycle, which is a rolling process, and is reviewed periodically to make the business and operations sustainable and secure. Some of the risks may be ongoing, while a few could be emerging risks due to the changing environment around our business operations.

KEY RISKS IDENTIFIED IN 2021

Raw material

Demand for fly ash and slag has increased multifold on account of continuous capacity expansion and larger adoption of blended cement, resulting in increased pressure on availability and price. While supply was impacted due to contraction in power demand and delayed blast furnace steel production during the pandemic, this resulted in a demand-supply imbalance and consequent hardening of prices.

A well-considered plan has been laid down to address the risks. We have increased the usage of wet/conditioned fly ash and also increased the pace of investment for fly ash dryer at our plants. We can also expect slag availability and price to show some correction with a more balanced demand-supply equation.

Further, we are participating in limestone auctions to create a pipeline for our upcoming greenfield projects in attractive markets.

Energy

High volatility in global fuel prices and high power cost add up to the risk. Our journey to mitigate the risk of energy has been initiated through an optimum blend of available domestic and import options. Besides, we are going to adopt more sustainable and efficient energy modes and options.

We are investing continuously to make our plants compatible for fuel flexibility while using residual fuels such as washery rejects, dolachar, Coal Shale, coal fines etc. We will eventually replace our grid dependency by increasing the usage of alternate fuels and raw materials and install WHRS, solar and wind energy sources.

Health and Safety

Maintaining safety of all stakeholders, be it internal or external, is a humongous task, especially in today's challenging times where we wish to promote our vision of 'Zero Harm' in our day-to-day operations (road safety, safe project execution, safe supply chain movements, etc.). At the same tme, we want to continue to ensure that we follow all Health & Safety (H&S) related protocols without impacting business.

In order to meet this dual challenge, a Business Risks Team was created to monitor and adhere to all applicable H&S protocols across the organisation.

We are also continuing with our safety induction programs for our employees/labour/third party workers and reviewing them from time to time to ensure full compliance with H&S directives/guidelines. The Transport

Analytic Center is in place for tracking various parameters for vehicles and providing inputs for improving driving behaviour.

Information and cyber security

With faster-than-expected evolution of technology and digitalisation, the risks associated with these have also evolved. The proliferation of business data beyond our data centres to cloud, social media and digital platforms for business-to-business and business-to-consumer connect, have forced us to change the way we deal with cyber security. There is a need to tighten certain key security controls (including cyber security) across levels (network, application, data, etc.)

To keep pace with technology advances and associated risks, we have implementation end point threat detection and response (ETDR) solutions for advanced threat protection (e.g. Cylance/Carbon Black/ CrowdStrike) to tackle advanced persistent threats/Ransomware and advanced malwares.

Backup solutions have been developed for critical users and local servers, which provide immutable backup, encryption and snapshot of the solution to restore data and protect against advanced malwares.

We are also implementing multi-factor authentication for critical applications to guard against identity and password theft. Many more such ongoing investments are being made in this area to ensure sustained security of our system and process across the organisation.

Environmental impact

Climate change, CO_2 emission, securing resources like water, limestone, coal etc. and other environmental changes could hugely impact business and we meed to prepare today to meet this risk. Proactive steps taken today will ensure a sustainable tomorrow.

We are consistently investing in low carbon technologies to increase our attractiveness. We also focus on changing customer behaviour so that more and more green products are encouraged in the market, thus creating a win-win situation for all.

Holcim has been rendering research and development support for the development of new products with lower clinker factor.

Read more on **Page 38**

Health and Safety

As we continue to face the COVID-19 pandemic, our commitment towards safeguarding the health of our people, and efforts to ensure safety at our workplaces has been in greater focus. On the COVID front, the Company's Business Resilience Team (BRT) has worked proactively to protect our people against the disease by implementing a set of dynamic guidelines (as per the evolving situation). Also, more than 99% vaccination (both doses) has been achieved for employees, dependents and workers. We adapted as the year progressed and ensured sustainable operations in a challenging environment with an even better H&S performance.

Our superlative H&S performance is demonstrated by the fact that we had zero onsite and offsite fatalities in all our operating units. Till date, we have achieved 101.8 million safe onsite manhours in our operating plants

without any major accident. During the year, we also reduced our Lost Time Injury Frequency Rate (LTIFR) by 24% and Total Injury Frequency Rate (TIFR) by 21% as compared to 2020.

While we worked towards making our sites safer, we also took responsible and significant steps in our journey towards reducing manual handling across the country through the installation of automatic conveyor systems at seven of our largest warehouses.

Our strategy in 2021 was to sustain performance with a focus on frontline safety. Our safety journey was planned under six pillars - Onsite Safety, Zero Harm Culture, Systems and Processes, Control of Health Risks, Road Fatality Reduction and Environmental Excellence. The actual output was assured through a strong governance and assurance system that reviewed deliverables on a monthly basis.

While we have delivered an excellent H&S performance in line with our values and long-term sustainability development goals, we are conscious of the need for continued commitment and greater effort in the years to come, so as to sustain and improve performance. Our planning for the same is in place and preparations for execution are in an advanced stage.

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Sustainability initiatives

We have been setting benchmarks in creating sustainable business operations in the industry. Continuous improvement, enhanced process efficiency and periodic capital expenditures have helped us position Ambuja Cement as one of the most responsible cement manufacturers in the country. We are sure that our continued efforts will help us in building sustainability benchmarks in the long run.

Our sustainability initiatives are also aligned with the United Nations Sustainable Development Goals (UN SDGs), and we report on them in accordance with the latest Global Reporting Initiatives (GRI) standards. In line with our parent company Holcim, we have developed the Sustainable Development Plan 2030, identifying four key pillars (climate and energy, circular economy, water and nature, and community), under which key initiatives are undertaken. Despite a challenging 2021, we could achieve considerable improvements across our pillars and are confident of achieving our 2030 targets.

We could validate our 2030 carbon emission reduction targets by the Science Based Targets initiative (SBTi), aligned with the reductions required to limit global warming. The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a well-below 2°C trajectory. With this, Ambuja Cement has now joined the group of global companies for promoting an ambitious low carbon economy model for the industry. This is just another step towards strengthening our Climate Change adaptability. In CDP Climate Change 2021, Ambuja Cement was rated A- (Leadership).

We have also taken up materiality assessment, which will help us in identifying areas of action that are core to business, environment and governance.

We have tied up with the Indian Institute of Technology Delhi to develop green products like Limestone Calcined Clay Cement (LC3), which will add to our sustainable products portfolio and help us reduce our carbon footprint. We are 8x water positive and have emerged 3.5x plastic negative through co-processing of plastic wastes in our kilns. We are the first ever cement company globally to make it to the 'A' list in the CDP Water Security 2021, which demonstrates our water stewardship.

The positive changes made through our sustainability efforts helped us win 5th position in the Dow Jones Sustainability Index (DJSI) 2021 among construction materials companies globally. In the 'S&P Global Sustainability Awards 2021', Ambuja Cement received the 'Bronze Class Award' in the COM sector on a global level.

Digital transformation

We have seen an uptick in the adoption of digital means for doing business across all the functions after the setback caused by the pandemic. Our digital transformation strategy was targeted at making our digital assets more functional so that we could better serve growing customer needs.

To smoothen remote ways of working for our employees and partners, we augmented our digital apps with added features. The apps for employees now have more information to serve customers, automated means of marking market visits, and the ability to capture geo-spatial information. Besides, we built an in-house platform, 'Write to MD & CEO' to have a direct connect with the leadership. Through this platform, our employees can express, suggest innovative ideas, and offer feedback.

Our dealers now have more discreet business information available on their mobiles. They can perform compliance-related functions digitally, and do more than placing and tracking orders through our Dealer Connect app.

Our simple and user-friendly contractor app has been the jewel in the crown. It has won the award for being the 'Best Mobile Loyalty Program' in the 14th Customer First Leadership Awards, 2021, having seen the user base grow 65% from 46,000+ to 76,000+, despite the intermittent disruptions during last year.

Overall, we saw a considerable change in behaviour in favour of adopting digital means for doing business.

In the manufacturing function, we have a two-pronged focus on safety and operational efficiency using artificial intelligence and machine learning technologies.

Our sustained efforts on safety bore fruits with the completion of a successful pilot using drones for unmanned inspection. We further plan to automate our weighbridge facilities, contactless operations, smart cameras for intrusion detection, and robotic labs for quality inspection.

Under our 'Plants of Tomorrow' initiative to enhance operational efficiency, we completed implementation of Technical Information Systems (TIS) and Performance and Collaboration Tool (PACT) dashboards across all our plants in 2021 to capture and visualise all process-related data. This has provided data transparency at the plant, region and country levels, and has laid the foundation for running various machine learning algorithms, targeted at improving operational efficiency.

Going ahead, as technology pervades deeper and deeper into human lives, we see data grow more significant as a critical resource. Digital prowess is steadily ascending and gaining a competitive edge, even in a brick-and-mortar industry like ours. To ride the wave of technology ascension, we are now focusing on the unison of digital assets across the business to create a synergistic impact on revenue and margin management.

Corporate social responsibility

Our community development initiatives are implemented at the local level, thereby channeling contributions to areas of the greatest impact in the local context. We have been working towards the development of our communities around our plant areas since the inception of the Company. We consider these communities as our primary stakeholders, and our vision is to ensure their prosperity (through our CSR arm Ambuja Cement Foundation) in tandem with our growth.

Our aim is to fulfil basic human rights of the communities. In line with our goals, our key intervention areas include, water resource management, skill development, as well as agri-livelihood development, women empowerment, community health, and education for all.

During the pandemic, the community needed immediate assistance. We worked closely with the local administration and health departments to ensure that the communities remained safe and carried out initiatives to restrict the spread of the virus. We organised vaccination camps in the remote areas for community stakeholders, as well as ensured that other stakeholders such as our workers and truckers were vaccinated. We managed to vaccinate 26.9 lakh people in our locations. The need for volunteers peaked during the debilitating second wave of the pandemic, for which we trained volunteers on basic of COVID-19 management. Today, we have over 6,000 community youths as 'Ambuja CoviSAINIKs,' working closely with the local administration.

While we invest in our CSR initiatives, we have also created a multiplier effect and leveraged other like-minded organisations to join hands with us to implement our program models across extended geographies. Due to such partnerships, the Ambuja Cement Foundation, acting as an implementing partner, has reached 11 states covering 43 districts in India, and has succeeded in bringing about a change in the lives of 2.7 million people.

Details on CSR expenditure mandated by the relevant laws are presented under Annexure 1 of the Directors' Report. The CSR Policy of Ambuja Cement is available on the website.

Internal control systems and their adequacy

The Company recognises that implementation of corporate governance reinforces the corporate culture and values among employees and business partners. A strong internal control framework sets the tone and serves as the foundation for the implementation of corporate governance policies and guidelines. The Company's Internal Financial Controls (IFC) framework, established in accordance with the Committee of Sponsoring Organisations (COSO) framework, is commensurate with the size and operations of the business, and is in line with the requirements of the Companies Act, 2013. This framework includes well-documented policies, procedures and Standard Operating Procedures (SOP), specific to respective processes. Regular management review processes evaluate various policies for the dynamic and evolving business environment. Furthermore, our internal auditors undertake rigorous testing of the control environment of the Company.

We use IT-supported platforms to keep the IFC framework robust. The design as well as the effectiveness of the internal controls are assessed during the year. This provides reasonable assurance across multiple functions and locations through extensive documentation reviews, enquiries, testing and other procedures as considered appropriate in the circumstances. Based on the assessment of internal audit, process owners undertake corrective action to strengthen the controls on an ongoing basis.

The strong in-house Internal Audit (IA) department, consisting of professionals skilled to deliver audit assurance at the highest levels, 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. Over a period, the IA department has acquired in-depth knowledge about the Company, its businesses, systems and procedures, which is now institutionalised. Our IA function is ISO 9001:2015 certified.

The IA department develops a risk-based annual internal audit plan, which covers core business operations as well as support functions. The IA plan is approved by the Audit Committee at the beginning of every year. The IA department carries out risk-focused audits across all locations and functions, enabling identification of areas where risk management processes may need to be strengthened. Significant audit observations and corrective action plans are presented to the Audit Committee. The whistle blower mechanism also forms part of the internal controls and is overseen by the Audit Committee. This formalised system of internal control and risk management framework facilitates effective compliance of Section 138 of the Companies Act, 2013 and relevant statutes applicable to the Holcim Group.

DIRECTORS' REPORT

Dear Members,

It is our pleasure to present the Annual Report of Ambuja Cements Limited for the year ended December 31, 2021. The PDF version of the Report is also available on the Company's website (www.ambujacement.com/investors/annual-reports).

FINANCIAL PERFORMANCE – 2021

(₹ in crore)

Particulars	Standalone		Consolidated	
	Current Year 2021	Previous Year 2020	Current Year 2021	Previous Year 2020
SUMMARISED PROFIT AND LOSS				
Net Sales	13,793.56	11,174.97	28,548.08	24,093.86
Profit before depreciation & amortisation, finance cost and exceptional items	3,493.12	3,018.60	6,562.84	5,455.16
Depreciation and amortisation expense	551.24	521.17	1,152.49	1,161.78
Finance costs	90.94	83.05	145.66	140.22
Share of profit of associates and joint ventures	-	-	20.23	14.44
Exceptional items	65.69	-	120.45	176.01
Profit before tax and non controlling interest	2,785.25	2,414.38	5,164.47	3,991.59
Tax expense	704.71	624.28	1,453.43	884.75
Net Profit before non controlling interest	2,080.54	1,790.10	3,711.04	3,106.84
Non controlling interest	-	-	930.66	741.40
Profit attributable to the owners of the Company	2,080.54	1,790.10	2,780.38	2,365.44
MOVEMENT IN RETAINED EARNINGS				
Opening Balance	1,644.64	3,534.96	3,925.98	5,248.70
Net profit for the year	2,080.54	1,790.10	2,780.38	2,365.44
Add : other comprehensive income	5.59	-6.97	8.40	-14.34
Less : Dividend on equity shares	198.56	3,673.45	198.56	3,673.45
Less : Corporate dividend tax on above	-	-	-	0.37
Closing balance	**3,532.21**	**1,644.64**	**6,516.20**	**3,925.98**

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

DIVIDEND

The Company has a robust track record of rewarding its shareholders with a generous dividend pay-out. In view of the strong operational and financial performance during the year under review, the Board of Directors is pleased to recommend a dividend of ₹6.30 per share (315%)for the year ended December 31, 2021. This represents a pay-out ratio of 60%.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The Policy is available on the Company's website https://www.ambujacement.com/Upload/PDF/dividend-distribution-policy.pdf

As per the prevailing provisions of the Income Tax Act, 1961, the dividend, if declared, will be taxable in the hands of the shareholders at the applicable rates. For details, shareholders are requested to refer to the Notice of annual general meeting.

Credit Rating

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

CAPACITY EXPANSION AND NEW PROJECTS

The Company's current installed capacity is 31.45 MTPA. Detailed information on capacity expansion and new projects is covered in the report on Management Discussion and Analysis.

COMPANY'S RESPONSE TO COVID

The COVID-19 crisis continued to impact during the year 2021 as well. As the pandemic prolonged another year, Ambuja Cement Foundation (ACF), our CSR arm decided to turn more resilient and approached with utmost optimism.

The nationwide vaccination drive steered ACF into running awareness campaigns, plying beneficiaries to vaccination centres and offering assistance at vaccination camps. Till date, 27 lakh people are fully vaccinated due to ACF's mobilisation. A community volunteering program called 'Ambuja CoviSAINIK' was also launched offering a cadre of community members to the health administration as volunteering support.

During the year, we launched several health and wellness programs for our employees and stakeholders covering various aspects of physical and emotional wellbeing, counselling support and awareness. In particular, together with health professionals and hospitals across our various locations, we offered COVID-19 related care for our employees and their families. Necessary safety and hygiene protocols like wearing of face masks, social distancing norms, workplace sanitation and employee awareness programmes were followed in compliance with the regulations of the local authorities.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

CSR, where we envision prosperous communities around our manufacturing sites has always been part of our DNA and integral to sustainable business practices. Through Ambuja Cement Foundation (ACF), we have reached to 2.81 million people across 3,547 villages in 50 districts spanning 11 states of India.

Through need based assessments and active community engagement and participation, ACF works on thrust areas across sites addressing the social and economic issues of the communities. The core areas include Water Resource Management, Agro-based as well as skill based livelihood development, Healthcare, Women Empowerment and Education.

During the year under review, your Company has spent ₹64.41 crore on CSR activities, which is 3.52% against the mandated 2% of the average net profit of last three years as required under section 135 of the Companies Act, 2013.

The Annual Report on CSR activities and expenditure, as required under sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is provided as **Annexure I** to this Report and the CSR Policy along with the action plan of CSR activities for the Financial Year 2022 is available on the website of the Company.

Our Sustainable Development Plan 2030, 'Building for Tomorrow' is on track and progressing well in four thrust areas for our business; Climate & Energy, Circular Economy, Nature & Environment and Community. Our operational-site level objectives help the respective heads align with and accomplish overall sustainability objectives. With the strides made in 2021 on validated Science Based Targets initiative (SBTi), and Net Zero ambition by 2050, we are aligned towards our parent Holcim's sustainability targets as well as global efforts.

We are also progressing well on our targets in areas such as Waste Heat Recovery System (WHRS), Renewable Energy, Clinker Factor reduction, Energy Efficiency (thermal and electrical), and use of Waste-derived resources/ alternative fuels. These efforts of the Company were highly recognised in various ESG benchmarking and ratings.

It is a matter of pride for all of us to note that Ambuja became 1st ever Cement Company in the World to achieve "A" rating (Leadership) in Water Security CDP 2021. Ambuja was rated A-(Leadership) in CDP Climate Change 2021 also. During the year 2021, Ambuja ranked 5th in the World in Construction Material (COM) Category at the prestigious Dow Jones Sustainability Index (DJSI) 2021, thus, only cement company from India to appear in top 5 in DJSI. In the 'S&P Global Sustainability Awards 2021', Ambuja got "Bronze Class Award" in COM sector.

DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND LISTING REGULATIONS

Annual Return

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

Number of Board Meetings

Six Board meetings were held during 2021. The particulars of the meetings held and attended by each Director during the financial year 2021 are given in the Corporate Governance Report which forms part of this Annual Report.

Composition of the Audit Committee

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

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

Related Party Transactions

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

All the related party transactions entered into by the Company during the financial year were on an arm's length basis and in the ordinary course of business and adheres to the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or others, which may have a potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. No material contracts or arrangements with related parties were entered during the year. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained before the commencement of the financial year, for the transactions which are repetitive in nature and also for the transactions which are not foreseen (subject to financial limit).

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value, and terms and conditions of the transactions. The statement is supported by the certification from the Managing Director & Chief Executive Officer and the Chief Financial Officer. All related party transactions are subject to half-yearly independent review by a reputed accounting firm to establish compliance with the requirements of Arms' Length Pricing.

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

Policy on Sexual Harassment of Women at Workplace

The Company has zero tolerance towards sexual harassment at the workplace and to this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Policy) and the Rules thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said Policy. An Internal Complaints Committee (ICC) has also been set up to redress complaints received on sexual harassment.

During the financial year under review, the ICC received one complaint, which was dealt in line with the POSH Policy of the Company and disposed off. No cases of child labour, forced labour, involuntary labour and discriminatory employment were reported during the period.

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

CORPORATE GOVERNANCE

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

RISK MANAGEMENT

The Company has formulated an Enterprise Risk Management (ERM) policy to identify, assess and mitigation of various risks to our business, which is covered in detail in the Management Discussion and Analysis Report attached to this Report.

The Risk management committee at Ambuja is constituted under the chairmanship of Mr. Rajendra Chitale, Independent Director. The objective of the Committee is to define the framework for the identification, assessment, monitoring and mitigation of risks, oversee the risk management performance of the Management and to review the ERM policy framework in line with the regulatory requirements.

INTERNAL AUDITS AND CONTROLS

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

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

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

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES

Vigil Mechanism/Whistle-Blower Policy

Ambuja's core value has been to create a fraud and corruption-free culture. We believe that the potential risk of fraud, corruption and unethical behaviour could adversely impact the Company's business operations, performance and reputation. With a view to create ethical environment and to mitigate the risk of fraud, a comprehensive Ethical View Reporting Policy akin to Vigil Mechanism or the Whistle-Blower Policy has been laid down.

This policy encourages Directors, employees and third parties to bring to your Company's attention, any instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affects the operational & financial integrity and actual or suspected instances of leak of unpublished price sensitive information that could adversely impact operations, business performance and/or reputation.

In terms of the said Policy, all the reported incidents are reviewed by the Ethical View Committee. Based on an in-depth review, all such incidents are investigated in an impartial manner and appropriate actions are taken to uphold the highest professional, ethical and governance standards. The Policy also provides for the requisite checks, balances and safeguards to ensure that no employee is victimised or harassed for reporting and bringing up such incidents in the interest of the Company.

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

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

Code of Conduct

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

Anti-bribery and Corruption Directives (ABC Directives)

In furtherance to the Company's philosophy of conducting business in an honest, transparent and ethical manner, the Board has laid down 'ABC Directives' as part of the Company's Code of Business Conduct and Ethics. As a Company, Ambuja Cement has zero-tolerance to bribery and corruption and is committed to act professionally and fairly in all its business dealings. To spread awareness about the Company's commitment to conduct business professionally, fairly and free from bribery and corruption and as part of continuous education to the employees on 'ABC Directives', regular awareness emails were circulated, face-to-face and online trainings were conducted, and close to 1200 relevant employees were trained.

The above policies and its implementation are closely monitored by the Audit and Compliance Committees of Directors and periodically reviewed by the Board.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Christof Hassig (DIN 01680305), and Mr. Ranjit Shahani (DIN 00103845) Non-Executive Directors of the Company are liable to 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.

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

Key Managerial Personnel

Mr. Neeraj Akhoury, Managing Director & CEO, Ms. Rajani Kesari, Chief Financial Officer and Mr. Rajiv Gandhi, Company Secretary are the Key Managerial Personnel of the Company.

During the year under review, there were no changes in the Key Managerial Personnel of the Company.

Attributes, Qualifications and Independence of Directors and their Appointment

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

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

Directors are appointed/re-appointed with the approval of the Members for a term in accordance with the provisions of the law and the Articles of Association. The initial appointment of Managing Director & Chief Executive Officer 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 and Remuneration of Directors is given as **Annexure III** to this report.

Independent Directors

The Independent Directors have submitted the Declaration of Independence, stating that they continue to fulfil the criteria of independence as required pursuant to section 149 of the Companies Act, 2013 and Regulations 16 of the Listing Regulations. This section require companies to have at least one-third of the total number of Directors as Independent Director and the Company complies with this requirement. There has been no change in the circumstances affecting their status as Independent Directors of the Company. The profile of the Independent Directors forms part of the Corporate Governance Report

In the Board's opinion, the Independent Directors are persons of high repute, integrity and possess the relevant expertise and experience in their respective fields.

Board Evaluation

The annual evaluation process of the Board, its committees and individual Directors for the year 2021 was conducted as per provisions of the Companies Act, 2013 and the Listing Regulations with a view to maintain high level of confidentiality and ease of doing evaluation, the exercise was carried out online using secured web-based application. Each Board member filled up the online evaluation template on the functioning and overall level of engagement of the Board and its committees, on parameters such as composition, execution of specific duties, quality, quantity and timeliness of flow of information, deliberations at the meeting, independence of judgement, decision-making, management actions etc. The evaluation templates were designed considering the guidelines issued under the Listing Regulations and secretarial standards and taking into consideration the suggestions given by the Directors.

Feedback Mechanism

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

Evaluation Results

The Independent Directors met on December 15, 2021 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 and its various committees, which displayed a high level of commitment and engagement. They also appreciated the exemplary leadership of the Chairman of the Board and its committees 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 very high degree of engagement of the Board and its committees with the Management.

Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have agreed on various action points, which will be implemented during the year 2022. The Board also suggested various areas such as sustainability, strategy, risk management etc. requiring more focused attention from the Management.

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, Key Managerial Personnel (KMP) and senior Management employees. The remuneration involves a balance between fixed and incentive pay, reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals. The Remuneration Policy for the Directors and senior Management employees is given in the Corporate Governance Report.

Induction and Familiarisation Programme for Directors

The details of the induction and Familiarisation programme of the Directors are given in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY

Pursuant to section 134 of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

ii) they have selected such accounting policies, judgements and estimates that are reasonable and prudent and have applied them consistently to give a true and fair view of the state of affairs of the Company as on December 31, 2021, and of the statement of Profit and Loss and Cash Flow of the Company for the period ended December 31, 2021

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 going concern basis

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

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

AUDITORS & AUDITORS' REPORT

Statutory Auditor

M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (ICAI Firm Registration No. 117366 W/W-100018) were appointed as the Statutory Auditors for a period of five years commencing from the conclusion of the 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting. Accordingly, M/s. Deloitte Haskins & Sells LLP will be completing their term of five years at the conclusion of the forthcoming Annual General Meeting.

The company is proposing to appoint M/s. SRBC & Co LLP (Firm Registration No. 324982E/E300003), Chartered Accountants, as Statutory Auditors for a period of 5 years commencing from the conclusion of the 39th Annual General Meeting till the conclusion of the 44th Annual General Meeting.

M/s. SRBC & Co LLP is a leading professional services firm engaged in the field of audit, taxation, risk and transaction advisory services.

M/s. SRBC & Co LLP have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits mentioned under Section 141(3)(g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

The Audit Committee and the Board of Directors recommend the appointment of M/s. SRBC & Co LLP, Chartered Accountants as Statutory Auditors of the company from the conclusion of the 39th Annual General Meeting till the conclusion of the 44th Annual General Meeting.

The Board places on record its appreciation for the services of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, during their tenure as the Statutory Auditors of your company.

The Auditors' Report for financial year 2021 on the financial statements forms part of this Annual Report. The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. The Audit Committee reviews the independence of the Auditors and the effectiveness of the Audit process. The Auditors attend the Annual General meeting of the Company.

The observations made by the Statutory Auditors on the Financial Statements of the company, in their Report for the financial year ended December 31, 2021, read with the explanatory notes therein, are self-explanatory and, therefore, do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Act. The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. Explanations or comments by the Board on emphasis of matters made by the statutory auditors in their report includes Order passed by the Competition Commission of India in two matters, which has been dealt in more detail in this Report.

Cost Auditor

Pursuant to section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s P.M. Nanabhoy & Co. Cost Accountants (ICWAI Firm Registration No. 000012) as the Cost Auditors of the Company for 2022 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 2020 was filed with the Ministry of Corporate Affairs on May 25, 2021 vide SRN: T20097267.

As per the requirements of section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounts and records in respect of the applicable products for the year ended December 31, 2021.

Secretarial Auditor

The Board had appointed Mr. Jayesh Shah, (CP No.2535), 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 2021 and his report is annexed as **Annexure IV** to this Report. The report does not contain any qualification, reservation and adverse remarks.

Reporting of Fraud

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS OR REGULATORS

Order passed by the National Company Law Appellate Tribunal (NCLAT) in the Matter of Penalty Levied by the Competition Commission of India (CCI)

i) Appeal filed by the Company against the Order of the CCI levying penalty of ₹1,163.91 crore on the Company was heard and dismissed by the NCLAT in July 2018 and CCI's Order was upheld. Further, the Company has challenged the judgement passed by NCLAT before the Hon'ble Supreme Court in September 2018. The Hon'ble Supreme Court has admitted the Company's Appeal and ordered for the continuation of interim order passed by the Tribunal.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees given and investments made during the year, as required under section 186 of the Companies Act, 2013 and schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, are provided in Notes 26 and 34 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. Surplus funds are parked only within the approved investment categories with well defined limits. Investment category is periodically reviewed by the Company's Board of Directors.

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

TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

The details relating to unclaimed dividend and unclaimed shares forms part of the Corporate Governance Report forming part of this Report.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

PARTICULARS OF EMPLOYEES

There were 4,418 permanent employees of the Company (excluding the employees on probation and shipping sailing staff) as of December 31, 2021. The disclosure pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure VI** to this Report.

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

SUBSIDIARIES, JOINT VENTURES AND JOINT OPERATIONS

As of December 31, 2021, the Company has six subsidiaries, one joint venture and one joint operation.

The Policy for determining Material subsidiaries adopted by the Board pursuant to Regulation 16 of the Listing Regulations, can be accessed on the Company's website (www.ambujacement.com/investors).

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

The consolidated net profit attributable to the Company is ₹2,780.38 crore for 2021 as compared to ₹2,365.44 crore for 2020.

BUSINESS RESPONSIBILITY REPORTING

The Company follows the <IR> framework of the International Integrated Reporting Council to report on all the six capitals that are used to create long-term stakeholder value. We also provide the requisite mapping of principles between the Integrated Report, the Global Reporting Initiative ('GRI') and the BRR as prescribed by SEBI. The report is independently assured by TUV India Private Limited.

As stipulated under the Listing Regulations, the Business Responsibility Report (BRR) describing the initiatives undertaken by the Company from an environment, social and governance perspective is available on Company's website https://www.ambujacement.com/Upload/Content_Files/annual-reports/Business-Responsibility-Report-2021.pdf

A copy of the BRR will be made available by email to any shareholder on request.

OTHER DISCLOSURES

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

- Details relating to deposits that are covered under Chapter V of the Act
- The issue of equity shares with differential rights as to dividend, voting or otherwise
- The issue of shares to the employees of the Company under any scheme (sweat equity or stock options)
- There is no change in the Share Capital structure during the year under review

- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees
- Managing Director & CEO has not received any remuneration or commission from any of its subsidiaries
- There was no revision in the financial statements
- There was no change in the nature of business
- There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report
- The Company has not transferred any amount to reserves during the year under review.

EQUAL OPPORTUNITY EMPLOYER

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

CAUTION STATEMENT

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

APPRECIATIONS AND ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to every member of Ambuja family for their hard work, dedication and commitment, to whom the credit for the Company's achievements goes, particularly during this unprecedented year. Your Directors would also like to acknowledge the valuable contribution by the Company's Promoter, M/s Holcim Ltd. in continuous improvement in our Business Practices.

Your Company looks upon its suppliers, distributors, retailers, business partners and others associated with it in its progress and the Board places on record its appreciation for the support and co-operation from all of them. The Directors take this opportunity to express their deep sense of gratitude to the Banks, Government and Regulatory authorities, both at Central and State level for their continued guidance and support.

And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board of Ambuja Cements Limited

Mumbai
Date February 17, 2022

N. S. Sekhsaria
Chairman & Principal Founder

ANNEXURE I TO DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021

1) BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Ambuja Cements Ltd. (ACL) conducts its CSR Programs mainly through its social development arm, Ambuja Cement Foundation (ACF). ACF was envisioned in 1993 to create self-empowered communities. Since the last 3 decades, ACF has been working mainly with communities around ACL's manufacturing sites, across thirty two districts in eleven states. ACF's approach is to energise, involve and enable communities to realise their true potential and be self sustaining. The key identified programme areas of ACF are Natural Resource Management (Land and Water Resource Management), Livelihood Promotion (Agro Based Livelihoods and Skill and Entrepreneurship Development), Human Development (Community Health and Sanitation, Education and Women Empowerment) & Rural Infrastructure Development.

CSR activities in the field of education and healthcare services are being undertaken by Ambuja Vidya Niketan Trust and Ambuja Hospital Trust.

2) COMPOSITION OF CSR COMMITTEE:

Sr. No.	Name of the Director & Designation/Nature of Directorship	Number of CSR Committee meetings held during the year	No. of the CSR Committee meetings attended during the year
1	Mr. Narotam Sekhsaria, Chairman	5	5
2	Mr. Nasser Munjee, Independent Director	5	4
3	Mr. Rajendra Chitale, Independent Director	5	5
4	Mr. Martin Kriegner	5	4
5	Mr. Mahendra Kumar Sharma	5	5
6	Mr. Neeraj Akhoury	5	5

3) PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

Composition of CSR Committee : https://www.ambujacement.com/about-ambuja/management-team/othercommittees
CSR Policy : https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-2021.pdf
CSR Projects : https://www.ambujacement.com/Upload/PDF/CSR-Projects-approved-by-the-Board---FY-2021.pdf

4) PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE:

Nil

5) DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

(₹ in crore)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	Financial year 2020	23.07	NIL

6) AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135 (5) (₹ IN CRORE): 1,828.50

7) DETAILS OF THE CSR OBLIGATION:

a)	Two percent of average net profit of the company as per section 135(5)	36.57 crores
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
c)	Amount required to be set off for the financial year, if any	-
d)	Total CSR obligation for the financial year (7a+7b-7c).	36.57 crores

8 (a) CSR amount spent or unspent for the financial year:

Amount Unspent (₹ in crore)

Total Amount Spent for the Financial year (₹ in crore)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
64.41	Not Applicable				

8 (b) Details of CSR amount spent against ongoing projects for the year ended December 31, 2021:

(₹ in crore)

Sr	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project (District and State)	Project Duration	Amt. allocated for the project	Amt. spent by implementing agencies & Ambuja itself	Amount transferred to Unspent CSR account for the project as per section 135 (6)	Mode of Implementation Direct (Yes/No)	Name of Implementation Agency	CSR Registration Number
Not Applicable											

8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project (District and State)	Amount spent in the current financial year	Mode of Implementation Direct (Yes/No)	Name of Implementation Agency	CSR Registration Number
1	Drinking Water Program	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Yes	1. Nadikudi, Guntur, Andhra Pradesh 2. Chattisgarh A) Bhatapara, Baloda Bazar B) Raigarh 3. Gujarat A) Kodinar, Gir Somnath B) Gandhinagar C) Sanand, Ahmedabad D) Surat E) Junagarh F) Ahmedabad 4. Himachal Pradesh A) Darlaghat, Solan B) Nalagarh, Solan 5. Amarwara, Chhindwara, Madhya Pradesh 6. Maharashtra A) Gadchandur, Chandrapur B) Panvel, Raigad C) Higna, Nagpur D) Mumbai E) Nagpur 7. Punjab A) Bathinda B) Ropar, Roopnagar C) Firozpur D) Nanki, Faridkot and Barnala 8. Rajasthan A) Marwar, Nagaur B) Rabriyawas, Pali C) Hanumangarh, Ganganagar 9. Roorkee & Bhagwanpur, Haridwar, Uttarakhand 10. Dadri, Gautam Budh Nagar, Uttar Pradesh 11. West Bengal A) Farakka, Murshidabad B) Sankrail, Howrah	1.97	No	Ambuja Cement Foundation	CSR00006913
2	Integrated Crop Management		Yes		3.18	No		
3	Animal Husbandry and Dairy		Yes		0.35	No		
4	Farmer Producer Organisations		Yes		0.88	No		
5	Promotion of Horticulture and Vegetables Cultivation		Yes		0.44	No		
6	Community Healthcare		Yes		4.15	No		
7	Sanitation		Yes		0.48	No		
8	Water Use Efficiency		Yes		0.49	No		
9	Education- School Support program		Yes		1.29	No		
10	Special School: Ambuja Manovikas Kendra	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Yes		0.64	No		
11	Skill And Entrepreneurship Development Institute (SEDI)		Yes		9.29	No		
12	Micro enterprise/ Income Generation program in Self Help Groups		Yes		0.50	No		
13	Women Federation		Yes		0.21	No		
14	Women Self Help Groups	Promoting gender equality, empowering women, setting up homes & hostels for women & orphans; setting up old age homes, day care centres and such other facilities for senior citizens & measures for reducing inequalities faced by socially and economically background groups	Yes		0.96	No		
15	Water Harvesting & Recharge		Yes		3.52	No		
16	Non Conventional, Biogas, Solar and Plantation		Yes		0.07	No		
17	Rural development projects.	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	Yes		13.53	No	Ambuja Cement Foundation	CSR00006913
18	Monitoring, Research & Evaluation Studies		Yes		5.75	No	Ambuja Cement Foundation	CSR00006913
19	Education	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Yes	- Kodinar, Gir Somnath, Gujarat - Darlaghat, Solan, Himachal Pradesh - Rabriyawas, Pali, Rajasthan - Bhatapara, Baloda Bazar, Chhattisgarh - Gadchandur, Chandrapur, Maharashtra	4.50	No	Ambuja Vidya Niketan Trust	CSR00003629
20	Healthcare	Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care & sanitation and making available safe drinking water	Yes	Gir Somnath, Gujarat	3.70	No	Ambuja Hospital Trust	CSR00003430

Sr	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the Project (District and State)	Amount spent in the current financial year	Mode of Implementation Direct (Yes/No)	Name of Implementation Agency	CSR Registration Number
21	COVID-19 Support	Supply of Oxygen cylinder and setting up oxygen plants	Yes	Oxygen Cylinder Distributed: - Dadri, Gautam Budh Nagar, Uttar Pradesh - Rabriyawas, Pali, Rajasthan - Marwar, Nagaur, Rajasthan - Delhi - Nalagarh, Solan, Himachal Pradesh - Gurgaon, Haryana Oxygen Plants donated at Hospital - Dadri, Gautam Budh Nagar, Uttar Pradesh - Marwar, Nagaur, Rajasthan - Farakka, Murshidabad, West Bengal"	6.36	Yes	Not Applicable	NA
22	Infrastructure	Dispatch of Cement for Charitable Purpose	Yes	Marwar, Rajasthan	0.25	Yes		NA
23	Others	Utkarsh Global Foundation For Animal Welfare	Yes	Mumbai, Maharashtra	0.03	Yes		NA
Total					**62.54**			

8 (d) Amount spent in Administrative Overheads	**1.87 crore**
8 (e) Amount spent on Impact Assessment, if applicable	**Nil**
8 (f) Total amount spent for the Financial Year(8b+8c+8d+8e)	**64.41 crore**

8 (g) Excess amount for set off, if any

Sr. no.	Particulars	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	36.57
(ii)	Total amount spent for the Financial Year	64.41
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	27.84
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	27.84

9 (a) Details of Unspent CSR amount for the preceding Financial Years: Not Applicable

9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years: Not Applicable

10) IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSETS SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR:

a)	Date of Creation or acquisition of the capital asset(s)	Not Applicable
b)	Amount of CSR spent for creation or acquisition of capital assets	
c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11) SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5) Not Applicable

On behalf of the CSR Committee

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

Sd/-
Neeraj Akhoury
MANAGING DIRECTOR & CEO
(DIN NO. 07419090)

ANNEXURE II TO DIRECTORS' REPORT

FORM NO. AOC - 2

January to December - 2021

Particulars of contracts contracts/arrangements made with related parties

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

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

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

There were no contracts or arrangements or transactions entered into during the year ended December 31, 2021, which are not at arm's length basis.

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

No material related party transactions as stipulated under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were entered during the year by the Company.

The details of the significant transactions with Related Party are as follows:-

Name of the related party	Nature of Relationship	Duration of Contract	Terms [1]	Amount (₹ in crore)
Nature of Contract				
Purchase of goods				
Holcim Trading Ltd., Switzerland	Fellow Subsidiary	Case to Case Purchase orders	Based on Transfer Pricing Guidelines	199.03
ACC Limited	Subsidiary	January 1, 2021 - December 31, 2021	Based on Transfer Pricing Guidelines	479.34
				678.37
Sale of goods				
ACC Limited	Subsidiary	January 1, 2021 - December 31, 2021	Based on Transfer Pricing Guidelines	888.21
				888.21
Receiving of services				
ACC Limited	Subsidiary	January 1, 2021 - December 31, 2021	Based on Transfer Pricing Guidelines	71.04
Holcim Technology Ltd, Switzerland	Fellow Subsidiary	January 1, 2021 - December 31, 2021	Based on Transfer Pricing Guidelines	131.25
Holcim Services (South Asia) Limited	Fellow Subsidiary	January 1, 2021 - December 31, 2021	Based on Transfer Pricing Guidelines	39.52
				241.81
Rendering of services				
ACC Limited	Subsidiary	January 1, 2021 - December 31, 2021	Based on Transfer Pricing Guidelines	56.26
				56.26

Note:

1. All related party transactions entered during the year were in Ordinary course of business and at Arm's length basis.
2. Appropriate approvals have been taken from Audit Committee, Board and Shareholders (wherever required) for the related party transactions entered by the Company and advances paid have been adjusted against bills, wherever applicable.

ANNEXURE III TO DIRECTORS' REPORT

ABSTRACT OF THE POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS

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

1. CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

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

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

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

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

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

   b. Personal, Professional or business standing

   c. Diversity of the Board

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

2. CRITERIA OF SELECTION/APPOINTMENT OF MANAGING DIRECTOR & CEO

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

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

ANNEXURE IV TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

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

FOR THE YEAR ENDED 31ST DECEMBER, 2021

To
The Members,
Ambuja Cements Limited
Elegant Business Park, MIDC Cross Road 'B',
Off. Andheri - Kurla Road, Andheri (East),
Mumbai – 400 059

Dear Sirs,

We have conducted online verification and examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of 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") and for issuing this Report. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering calendar year ("year") ended on December 31, 2021, 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, minutes books, forms and returns filed and other records maintained by **Ambuja Cements Limited** ("the Company") for the year ended on December 31, 2021, according to the applicable provisions of:

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

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

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

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

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

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

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

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

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

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

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

    iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

    v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

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

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

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

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

(iii) Cement Cess Rule, 1993

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

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

During the year under the report, the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time issued for compliances under the pandemic situation, have been complied with by the Company.

We further report that:

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

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

Since none of the members have communicated dissenting views in the matters / agenda proposed from time to time for consideration of the Board and 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.

We further report that the Company had furnished the requisite information / clarifications / explanations in response to the letter received from Registrar of Companies, Gujarat, Dadra and Nagar Haveli. There has been no further correspondence from the said Authority.

There was no event/action which had major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

JAYESH SHAH
PARTNER
MEM. NO. FCS 5637
COP No. 2535
UDIN: F005637C002622781

Date: February 17, 2022
Place: Mumbai

Note: This report should be read with our letter of even date which is annexed as Annexure I and forms are integral part of this report.

ANNEXURE I

To,
The Members
Ambuja Cements Limited
Elegant Business Park, MIDC Cross Road 'B',
Off. Andheri – Kurla Road, Andheri (East),
Mumbai – 400 059

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

JAYESH SHAH
PARTNER
MEM. NO. FCS 5637
COP No. 2535

Date: February 17, 2022
Place: Mumbai

ANNEXURE V TO DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

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

1. Optimisation of bag filter operation (purging time/ cycle time/delay time) at TPP. (Bhatapara, Roorkee, Farakka, Dadri, Nalagarh)
2. Optimising Aux power by replacement of three Nos High efficiency CCW Pumps for STG-TPP. (Bhatapara)
3. Reduction in SHR and aux power consumption by replacing STG3 vacuum pump. (Bhatapara)
4. Improvement in SEEC of Line 2 Clinker power by reduction in False Air ingress in Pre-heater fan inlet down-comer duct. Pre Heater fan power reduced by 1unit/T Clk. (Bhatapara)
5. Coal Ash analyser, to analyse ash content of coal at site. (Bhatapara)
6. Idle running of packers and its connected equipment monitored on a daily basis, Avoid Idle running. (Bhatapara)
7. Power Factor maintained 0.99 by optimising capacitor banks (Bhatapara, Sankrail, Bhatinda)
8. Installation of LED Lights at Plant and Colony. (Bhatapara, Sankrail, Farraka)
9. Management of change in OT environment (Farraka, Dadri)
10. Silo RADAR Level sensors upgradation (Cement & flyash) (Farraka)
11. Weigh feeder inter count controller replaced. (Farraka, Dadri)
12. Direct unloading of FA bulker in Mill feed FA hopper instead of Fly ash silo by installing auto change over pneumatic operated valve (Farraka)
13. Reduction in Electrical power consumption by increasing mill throughput from 164 to 173. (CM -SEEC Reduced From 2020: 34.30 kWh/t to 32.51 kWh/t in 2021) (Power Saving: 1.79 kWh /t of Cmt with various initiatives) (Farakka)
14. Optimisation of grinding media charging. (Farakka, Roorkee, Bhatinda)
15. Nibs Gate made operational (Farakka)
16. Optimisation of grinding aid consumption (Farakka, Sankrail, Roorkee)
17. Reduction in STEC by 3.5 % by implementing operational measures, HLC installation commissioning & tuning, process optimisation (Suli, Rauri)
18. Reduction in SULI SEEC by 1.8 kWh/t-Cem by implementing operational discipline, i.e. judicious blending of limestone from both mines (Suli)
19. Upgradation of OLBC 2 VFD to avoid starting problems and subsequent production loss (Reliability improvement) (Suli, Rauri)
20. Maximised usage of WFA 17 % in PPC grinding (out of 32.8 total FA) (Suli, Rauri)
21. Burner up gradation (Suli, Rauri)
22. VFD Installation in ILC Coal Firing Blower (480 kWh/ Day saving) (Rabriyawas)
23. Power Factor Improvement at 6.6 KV in all sections of cement plant (INR 11K/Day Benefit) (Rabriyawas)
24. Conversion of motors from Delta to Star Connection in 3 nos. Packing Plant JPFs (360 kWh/Day Savings) (Rabriyawas)
25. Cooler IKN Grates Cleaning to achieve improved secondary air temperature
26. Reduction in System Voltage from 6.66 KV to 6.55 KV (1680 kWh/Day Saving) (Rabriyawas)
27. Optimisation of Grinding Media Pattern in CM 4 (Reduction of 3.1 kWh/T from Previous Year) (Ropar)
28. Optimisation of Grinding Media Pattern and Proper Production Planning of Different 47. Products with minimum change overs in CM 2 (Reduction of 4.0 kWh/T from Previous Year) (Ropar)
29. Increased Fly Ash Consumption by 3.8% in PPC Production (From 29.5% in 2020 to 33.3% in 2021) (Ropar)
30. Reduction in CPP SHR Consumption from 3,456 to 3389 kCal/kWh (Ropar)
31. (CM -SEEC Reduced From 2020: 35.14 kWh/t to 33.33 kWh/t in 2021) (Power Saving: 1.81 kWh /t of Cmt with various initiatives) (Roorkee).

32. Increased use of WFA to the level of 10 % when DFA is not available with the use of Local made Furnace (Roorkee)

33. Lowest Sp. electrical energy consumed i.e 31.84 kWh/t.cem in PPC grinding. (Bhatinda) In 2020, SEEC was 35.95 kWh/t.cem; 4.11 u/t saved. (Bhatinda)

34. Maximise fly ash consumption 33.88 %, including 6.62 % wet ash i.e reduced clinker factor (Bhatinda)

35. Maintained 45 micron residue less than 10.06 % by periodic replacement of sepa. Classifier top seal. (Bhatinda)

36. Dry fly ash flow controlled for mill feeding, by fine tuning of PID controller. (Bhatinda)

37. 31.5 MVA transformer with new switchyard commissioned. (Dadri)

38. Natural Gas based Hot Air Generator (Dadri)

39. Stopped gypsum/Wet Ash Handling group Bag filters during high moisture thus saving approx.34 kw/Hr. (Nalagarh)

40. Stopped gypsum crusher (45 KW) and gypsum & wet ash feeding being done through bypass chute. (Nalagarh)

41. Installation of VVF in product elevator top bag filter thus saving 7.5 kw/Hr and consistent reliable product sampling. (Nalagarh)

42. Installation of VVF in Packing plant bag filters (04 Nos.) thus saving approx.65kw/Hr.

43. Replacement of under loaded conveyor belt motors (04 Nos.) in both packers' discharge (from 11 kw to 5.5 kw). (Nalagarh)

44. Reduction in false air across Mill and Bag house circuit from23.3%to 14.7%. (Nalagarh)

45. Removal of all the three S-Rollers releasing a saving potential of 0.5 kWh/T in Mill fan SEEC. (Nalagarh)

46. Raw mix & Fuel Mix Optimisation to improve the burnability which resulted in reduction in Thermal Energy Consumption (Ambujanagar)

47. Raw Mill Fan inlet modification to improve the fan efficiency (power consumption reduction) (Gaj L2)

48. 1.8 kWh/MT SEEC(G) reduction in 2021 over 2020 (~13% reduction) (Surat)

49. Conversion of Twin Drive Cement Mill Motor into Single Drive thereby reducing approx. 100 kW (Surat)

50. Replacement of lower capacity OPC Solid Flow Feeder by Higher one thereby increasing Mill output and hence reduction in SEEC(G)(Surat)

51. In house Grinding Aid made grinding aid from molecules introduced.

(b) The capital investment on energy conservation equipment

1. Power saving in Bag filter fans by installing VFD
2. Three Nos High efficiency CCW Pumps for STG3-TPP
3. STG3 Vacuum Pump in place of SJAE
4. Kiln-2 Outlet Seal replacement.
5. Coal ash analyser
6. MPRO relays
7. Upgraded radar sensors.
8. WHRS erection work under progress.
9. New AFR feeding system, with increased capacity
10. Burner upgradation
11. Replacement of Driers for Compressed Air
12. Replacement of Main Baghouse bags (3000 bags)
13. Replacement of internal parts for Gaj Line-2 cooler ESP
14. Ambuja Kiln PLC upgradation
15. Ambujanagar: polycom separators fans
16. high efficiency blade of fan in Air Cooled Condenser in power

(c) Steps taken for alternate source of utililsation:

1. Use 26% solar power of total power. (Dadri)
2. Ever lowest auxiliary power consumption from WHRS (%) 4.97 (Rabriyawas)
3. Ever highest generation from WHRS (surpassed by 24% w.r.t. pr. best) (Rabri)
4. WHRS installation (SULI, RAURI) (power generation capacity 21 MW)
5. Upgradation of AFR feeding system (6%TSR) (Rauri)
6. Replacement of 50% traditional HSD usage with PYROLITIC oil at the time of every cold (Suli, Rauri)

B) TECHNOLOGY ABSORPTION

(a) Efforts made towards Technology Absorption:

1. Digitalisation of walk by inspection to improve quality of inspection across all Plants.

2. Technical Information system (TIS) Installation at plant locations along with PACT dashboard for close monitoring of process data

3. Close Monitoring & Rescheduling of colony and plant lighting as per requirement (Power Saving: 0.13 kWh/t of Cmt) (Farakka)

(b) Information regarding Technology Imported during last 3 year:

Details of Technology imported	Year Of Import	Status
Kiln-2 Burner replacement (Low Primary air) at BT	2021	Partially Observed.
Commissioned in Nov'21.		
Low Efficiency CWP pump replaced with high efficacy Pump	2021	Fully Absorbed.
Bhatapara: Line -2 Cooler Up graded with IKN cooler- Investment-1400 Lac	2020	Fully Absorbed.
Replacement of conventional 3 Low effc blowers with Hybrid screw blowers.	2020	Fully Absorbed.
Commissioning of SNCR to control Nox emission of Kilns.	2019	Fully Absorbed.
Procurement of Coal Ash Analyser at BT	2021	Fully Absorbed.
Optimise the capacitor HT capacitor ON timings & restored the LT faulty capacitors.	2020	Fully Absorbed.
Lighting circuit modification with introduction of lighting circuit breaker additional with PLC control	2021	Partial
MPRO motor protection relay installed for motor above rating of 37 KW in plant operation	2019	Partial
Logic bypass record to be maintained and approval for the requirement in plant operation	2021	Fully Absorbed.
Siemens belt weigher installation and commissioning done for analysing weight of the total clinker received through clinker rake	2021	Fully Absorbed.
TIS system implemented for operational control feedback established	2021	Fully Absorbed.
RADAR level sensors.	2021	Fully Absorbed.
NewTersus control electronics are used for weighing tasks in continuous process sequences.	2021	Fully Absorbed.
Packer spoute weight accuracy and auto correction feature established by introducing new SEWAREX controller by OEM	2021	Fully Absorbed.
Idea was to direct unloading from all 4 pipelines if we are having sufficient Fly ash bulkers to run both the Mill to save specific power consumption by 0.1 unit	2021	Partial
Digitalisation of walk by inspection to improve quality of inspection at Plant	2020	Fully Absorbed.
Technical Information system (TIS) Installation at plant with PACT dashboard for close monitoring of process data.	2021	Fully Absorbed.
EMS Server and Power Plant DCS Server Connectivity with TIS for Energy Management	2021	In Progress
Installed Wet Fly Ash Dryer to ensure availability of Fly Ash during lean seasons.	2019	Fully Absorbed
Mill Master commissioned for better mill performance.	2021	Completed
Natural Gas based Hot Air Generator	2021	Completed
Process optimisation only.	2021	Complete
Schenck make SFF (180 TPH)	2021	Installed

(c) Benefits derived (Cost reduction, product improvement/improvement, Import substitution):

1. Improvement in clinker factor by increasing clinker reactivity and intern increasing the Flyash usage.
2. AFR used brings down the requirement of conventional fuels.
3. Solar power saves fuels used and impacts heavily on electricity cost.
4. Energy saving through initiative like VFD installation, LED lights and optimisation.

C) EXPENDITURE FOR R/D

₹ in crore

	Current Year 31.12.2021	Previous Year 31.12.2020
Capital Expenditure	0.00	0.00
Recurring Expenditure	0.40	0.53
Total Expenditure	0.40	0.53
Total R & D expenditure as a percentage of total turnover	-	-

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in crore

	Current Year 31.12.2021	Previous Year 31.12.2020
Used	1,056.60	2,843.36
Earned	4.47	2.53

ANNEXURE VI TO DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(A) RATIO OF THE REMUNERATION OF EACH DIRECTOR/KMP TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR:

Name of Director and KMP	Remuneration	Ratio of remuneration of each Director to median remuneration of employees(a)	% increase in remuneration in the Financial Year 2021
Non Executive Directors			
Mr. N.S. Sekhsaria	54,20,000	7.96	5.24%
Mr. Jan Jenisch	22,50,000	3.31	4.55%
Mr. Christof Hassig	23,00,000	3.38	15.91%
Mr. Martin Kriegner	-	-	-
Ms. Then Hwee Tan	40,20,000	5.91	22.33%
Mr. Mahendra Kumar Sharma	38,39,589	5.64	49.38%
Mr. Ranjit Shahani	24,50,000	3.60	46.91%
Mr. Praveen Kumar Molri	23,00,000	3.38	46.46%
Mr. Ramanathan Muthu	22,50,000	3.31	N.A.
Independent Directors			
Mr. Nasser Munjee	44,70,000	6.57	14.25%
Mr. Rajendra Chitale	54,60,000	8.88	5.75%
Mr. Shailesh Haribhakti	43,00,000	7.32	11.37%
Dr. Omkar Goswami	44,50,000	6.87	7.82%
Ms. Shikha Sharma	41,30,000	6.90	-6.77%
Executive Director			
Mr. Neeraj Akhoury, MD & CEO (w.e.f February 21, 2020)	11,54,40,137	169.59	87.24%
Other KMPs			
Ms. Rajani Kesari, CFO (w.e.f September 1, 2020)	6,14,49,034	90.27	419.64%
Mr. Rajiv Gandhi, Company Secretary	1,41,20,785	20.74	14.23%

(a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period January 1, 2021 to December 31, 2021.

(b) The remuneration to Directors includes sitting fees paid for attending Board and Committee Meeting and commission payable to them for the year ended December 31, 2021.

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

(d) There were changes in the Director and KMP including the MD & CEO and CFO during the previous year 2020 and hence the figures are not comparable.

(B) MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2021 — 6,80,688

(C) PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR — 6.07%

(D) NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON DECEMBER 31, 2021 — 4,418

(E) 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:

(i) Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel (i.e. MD & CEO) is 6.21%.

(ii) Average percentile of the remuneration of the Managerial Personnel (i.e MD & CEO) increased by 23.37%.

(iii) 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.

(F) THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY.

ANNEXURE VII TO DIRECTORS' REPORT

FORM AOC-1

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

A) SUBSIDIARY COMPANY

(₹ in crore)

Sr	Name	Date of acquisition	Financial year ending	Reporting Currency	Share capital	Reserves and surplus	Total assets	Total liabilities	Total Invetments	Turnover	Profit / (loss) before taxataion	Provision for taxation	Profit / (loss) after taxation but before share of profit in associates and minority interest	Proposed Dividend	% of Shareholding
1	M.G.T. Cements Private Limited	20/10/2007	December 31, 2021	₹	0.75	(0.77)	-	0.02	-	-	(0.01)	-	(0.01)	-	100.00%
			December 31, 2020	₹	0.75	(0.76)	-	0.01	-	-	-	-	-	-	100.00%
2	Chemical Limes Mundwa Private Limited	20/10/2007	December 31, 2021	₹	5.14	(5.38)	1.65	1.89	-	-	(0.24)	-	(0.24)	-	100.00%
			December 31, 2020	₹	5.14	(5.15)	1.68	1.69	-	-	(0.20)	-	(0.20)	-	100.00%
3	Dirk India Private Limited	02-09-2011	December 31, 2021	₹	2.08	(33.01)	19.56	50.49	-	9.62	2.66	-	2.66	-	100.00%
			December 31, 2020	₹	2.08	(35.76)	16.67	50.35	-	3.45	(1.03)	-	(1.03)	-	100.00%
4	Dang Cement Industries Private Limited (Refer Note 1)	06-05-2011	December 31, 2021	Nepalese Rupee	13.84	(8.00)	5.92	0.08	-	-	(0.83)	-	(0.83)	-	91.63%
			December 31, 2020	Nepalese Rupee	13.84	(7.18)	6.68	0.02	-		(0.92)	-	(0.92)	-	91.63%
5	ACC Limited (Refer Note 2)	12-08-2016	December 31, 2021	₹	187.99	14,120.84	21,038.84	6,726.66	149.55	15,814.40	2,506.38	643.28	1,863.10	1,089.17	50.05%
			December 31, 2020	₹	187.99	12,511.14	18,200.23	5,497.86	129.27	13,486.83	1,708.85	278.59	1,430.26	262.90	50.05%
6	Oneindia BSC Private Limited (Refer Note 3 & 4)	13/08/2015	December 31, 2021	₹	2.50	4.17	6.79	0.12	-	-	0.13	-	0.13	-	50.00%
			December 31, 2020	₹	2.50	4.04	9.50	2.96	-	16.35	0.14	0.79	(0.65)	-	50.00%

B) JOINT VENTURE COMPANY

(₹ in crore)

Sr	Name	Date of acquisition	Financial year ending	Shares of Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit / (loss)		
				No.	Reporting Currency	Amount of investment in Joint Venture				For the Year	Considered in Consolidation	Not Considered in Consolidation
1	Counto Microfine Products Private Limited	01-08-2011	December 31, 2021	76,44,045	₹	14.86	Refer Note 4	Not applicable	58.95	17.41	8.71	8.70
			December 31, 2020	76,44,045	₹	14.86			47.03	9.75	4.87	4.87

Notes :

1) Dang Cement Industries Private Limited is a subsidiary situated in Nepal. Exchange Rate considered is 1 ₹ = 1.6 Nepalese Rupee.
2) Figures of ACC Limited are as per their consolidated financial statements which also includes its share in Joint venture, Oneindia BSC Private Limited.
3) Figures of Oneindia BSC Private Limited (indirect subsidiary of the Company) is proportionate to the shareholding of the Company as the same is joint venture of its subsidiary ACC Limited.
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

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director & Chief Executive Officer
DIN - 07419090

Mumbai : February 17, 2022

REPORT ON CORPORATE GOVERNANCE

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") for the Financial Year 2021 is given herein below:

1. CORPORATE GOVERNANCE

1.1 Ambuja's Philosophy on Corporate Governance:

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

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding our plants, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since inception have contributed to the Company's sustained growth. The Company also believes that its operations should ensure conservation and development of economic, social and environmental capital and that the precious natural resources are utilised in a manner that contributes to the "Triple Bottom Line". The relentless efforts made on these fronts have resulted in the Company becoming 8 times water positive and 3.5 times plastic negative among various other sustainability initiatives. The Company has been recognised for leadership in corporate sustainability by global environmental non-profit CDP, securing a place on its prestigious 'A List' for tackling water security. Ambuja Cements is one of a small number of high-performing companies out of nearly 12,000 that were scored. Through significant demonstrable actions to protect water resources, the Company is leading on corporate environmental ambition, action and transparency worldwide. Sustainability being embedded in Company's core strategy, Ambuja Cements, in 2021, was once again ranked 5th globally by the internationally renowned Dow Jones Sustainability Index (DJSI) in the construction materials category.

1.2 The Governance Structure:

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

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

(ii) Committees of Directors:- The Committees of the Board such as Audit Committee, Compliance Committee, Nomination and Remuneration Committee, CSR & Sustainability Committee (w.e.f January 1, 2022, CSR & Sustainability Committee is bifurcated into CSR Committee and separate Sustainability Committee) and Risk Management Committee etc. are focused on financial reporting, audit and internal controls, legal & compliance issues, appointment and remuneration of Directors and Senior Management Employees, implementation and monitoring of CSR and Sustainability activities and the risk management framework.

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

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

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

1.3 The Compliance Framework:

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

2. BOARD OF DIRECTORS

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

2.1. Composition and Board Diversity:

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

Section 149(1) of the Companies Act, 2013 (the Act), requires certain companies to have at least one woman Independent Director. ACL has one Non-Executive, Independent woman Director and one Non-Executive, Non-Independent woman Director as part of its Board.

As at the end of corporate financial year 2021, the total Board strength comprises of the following:

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

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

2.2. Selection, Appointment and Tenure of Director:

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

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

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

2.3. Other Directorships etc.:

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

Independent Directors:

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Further in terms of the Regulation 25(8), they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of Independence as defined under Section 149 of the Act and Regulation 16(1)(b) of Listing Regulations and that they are independent of the management. They have also confirmed that they have enrolled themselves in the Independent Directors Databank maintained with the Indian Institute of Corporate Affairs.

Section 149(4) of the Companies Act, 2013, requires companies to have at least one-third of the total number of Directors as 'Independent Director', and ACL currently complies with this requirement with 33% Independent Directors on the Board.

The Board consists of 5 Independent Directors i.e. Mr. Nasser Munjee, Mr. Rajendra Chitale, Mr. Shailesh Haribhakti, Dr. Omkar Goswami and Ms. Shikha Sharma (Women Independent Director).

2.4. Certification from Company Secretary in Practice:

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

2.5. Directors' Profile

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

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

Mr. N. S. Sekhsaria is the Principal Founder of the Company. Mr. Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. He introduced new standards in manufacturing, management, marketing efficiency and corporate so-cial 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 relin-quished the post of Managing Director and was appointed as the Non-Executive Vice Chairman when management control of the Company was transferred to erstwhile LafargeHolcim Ltd. In September 2009, he was appointed as the Non-Executive Chairman after Mr. Suresh Neotia relinquished the post of Chairman.

Mr. Sekhsaria built Ambuja Cements into the most efficient and profitable cement company in India. He created and developed a result-oriented management team, and an extraordinary business model for the Com-pany 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 com-modity 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 ten-ure, the Company grew from a 0.7 million tonne capacity to 15 million tonnes, from a market capitalisation of ₹18 crore to ₹14,000 crore, and from a single location to a pan-India Company which has set new benchmarks for the cement industry. These achievements, from a first generation industrialist, speak volumes about Mr. Sekhsaria's vision, business acumen and leadership qualities.

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

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

Mr. Jan Jenisch is Chief Executive Officer of Holcim. Since joining in 2017, Jan has led Holcim to a new level of financial performance and growth, with record profitability levels, revenues of over CHF 23 billion in 2020, 70,000 people worldwide and industry-leading ESG ratings.

Building on his track record of superior financial performance, Mr. Jan is now leading Holcim's next era of transformational growth to become the global leader in innovative and sustainable building solutions. Diversifying Holcim's portfolio, he is expanding the Company's Solutions & Products Business, with transformational acquisitions like Firestone Building Products and Malarkey Roofing Products, becoming a global leader in roofing systems. Putting sustainability at the core of Holcim's strategy, Mr. Jan oversaw the launch of the industry's first global ranges of green concrete. Prior to Holcim, Mr. Jan served as Chief Executive Officer of Sika AG, a global leader in innovative systems and products for the building and automotive sectors. Under his leadership, Sika expanded its reach in high value markets, setting new standards of performance in sales and profitability.

In 2021, Mr. Jan was elected to the Board of Directors of Holcim, in addition to his role as CEO and membership of the Board of the Holcim Foundation for Sustainable Construction. He is the President of the Global Cement and Concrete Association as well as a Member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD), the European Round Table for Industry (ERT) and the board of the Swiss-Japanese Chamber of Commerce (SJCC). In addition, he serves as a Member of the Board of Directors at Glas Troesch SA.

Born in Germany in 1966, Mr. Jan studied in Switzerland and the US, and graduated from the University of Fribourg, Switzerland, with a Master of Business Administration. In 2021 he received a Dr. H.C. from the University of Fribourg for his accomplishments as CEO of two large listed companies and for his transformation of Holcim into a sustainable company.

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

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

Mr. Nasser Munjee holds a Master's degree in economics from the London School of Economics (LSE), U.K. His journey in creating financial institu-tions 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 is currently on the Board of companies such as Cummins India, Indian Hotels Company Ltd., Tata Motor Finance, Jaguar Land Rover.

In 1997, Mr. Munjee played a pivotal role in setting up IDFC and was its CEO in its formative years. Mr. Munjee has a deep interest for rural de-velopment, housing finance, urban issues, specially the development of modern cities and humanitarian causes.

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

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

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

Mr. Rajendra Chitale, an eminent Chartered Accountant and a Law Graduate, is the Managing Partner of M/s. Chitale & Co, a leading boutique structuring and advisory firm and of M/s M. P. Chitale & Co., one of the leading accounting and consulting firm. He has served as a member of the Insurance Advisory Committee of the Insurance and Regulatory Development Authority of India, the Company Law Advisory Committee, Government of India, the Takeover Panel of the Securities & Exchange Board of India, the Financial Sector Legislative Reforms Commission (FSLRC) Working Group on Insurance, Pensions, Small Savings-Government of India, the Investor Education and Protection Fund Committee, Government of India and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served on the Board of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Ltd. and Clearing Corporation of India Limited, Asset Reconstruction Company (India) Limited, SBI Capital Markets Limited. He is on the Board of several large corporates.

He is a go to Advisor to international and Indian corporations for advice on Business structuring, tax and legal advice on foreign investments, mergers and acquisitions, private equity fund formation and investments, financial market laws, and financial services regulations.

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

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

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

He is a global thought leader in the area of Environment, Social & Governance, and has helped pioneer impactful concepts like IR & Innovating path to Net Zero. He is also an author of 2 books namely "The Digital Professional" & "Audit Renaissance".

He has been involved with various philanthropic initiatives as well. He is an advisory member of the steering committee on India Covid Response Fund (Give India) and also part of the advisory board of Global Parli, WOTR. Some of his current innovations are Digital Board Governance through the GOvEVA platform, Social Impact Investing, Data-led Lending, Diligence, Scoring and Rating, Digital Treasury and Foreign Exchange Management. He has been conferred with the Global Competent Boards Designation (GCB.D) by Competent Boards Inc.

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

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

Dr. Omkar Goswami, a professional economist, did his Masters in Economics from the Delhi School of Economics and his D. Phil (Ph.D.) from Oxford University. He taught and researched economics for 20 years at various reputed universities in India and abroad. During a career spanning over three and a half decades, he has been associated as a member or advisor to several Government committees and international organisations like the World Bank, the OECD, the IMF and the ADB, and on the Boards of several reputable listed companies. 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.

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

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

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

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

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

Mr. Christof Hassig is a Swiss national and a professional banker with Masters in Banking and the Advanced Management Program from Harvard Business School.

He is currently acting as board member for the Holcim Group in Bangladesh and India. Prior to this, he served as the Head of the Corporate Strategy and Mergers and Acquisitions function at Holcim Ltd. Mr. Hassig has worked for over twenty five years at UBS in different functions including global relationship manager and investment banker. He has also worked in corporate finance and treasury functions for over fifteen years. In 2013, he took over the additional responsibility as Head of Mergers and Acquisitions.

Mr. Hassig joined the Board in December, 2015.

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

Mr. Martin Kriegner is an Austrian national. He is a graduate of Vienna University with a Doctorate in Law and he obtained an MBA from the University of Economics in Vienna.

Mr. Kriegner was appointed as Head of Asia Pacific and member of the Group Executive Committee of Holcim in August 2016. Since 2019 he has also been responsible for the Holcim Group Cement Excellence team.

Mr. Kriegner joined the Group in 1990 and became the CEO of Lafarge Perlmooser AG, Austria in 1998. He moved to India as the CEO of 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 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 and Sustainability Committee.

(x) Ms. Then Hwee Tan (DIN: 08354724) (Non-Executive, Non-Independent Promoter Director representing Holcim Ltd.)

Ms. Then Hwee Tan is Singapore national and an MBA from Wichita State University, Kansas, USA.

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

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

(xi) Mr. Mahendra Kumar Sharma (DIN: 00327684) (Non-Executive, Non-Indpendent Promoter Director representing Holcim Ltd.)

Mr. Mahendra Kumar Sharma is an Arts & Law Graduate from University of Lucknow and a Post Graduate Diploma holder in Personnel Management and Labour Laws. After a five year stint with Delhi Cloth & General Mills Co. Ltd. he joined Hindustan Unilever Ltd. in 1974 as a Legal Manager. He retired in 2007 as its Vice Chairman with the responsibility of HR, Legal & Secretarial, Corporate Affairs, Real Estate etc.

He has served as member of the Corporate Law Committee to comprehensively redraft the Companies Act and as a member of Naresh Chandra Committee on Corporate Governance. He is on the Board of several companies.

Mr. Sharma joined the Board in April, 2019. He is a member of the CSR & Sustainability Committee and the Audit Committee.

(xii) Mr. Ranjit Shahani (DIN: 00103845) (Non-Executive, Non-Independent Promoter Director representing Holcim Ltd.)

Mr. Ranjit Shahani is a Mechanical Engineer from IIT Kanpur and MBA from Jamnalal Bajaj Institute of Management Studies. He started his career with Imperial Chemical Industries (ICI) in India and then served as General Manager with ICI, Zeneca in UK overseeing Asia Pacific and Latin America operations for the petrochemicals and plastics division. He was the CEO of Roche Products Ltd. and then Vice Chairman and Managing Director of Novartis India Ltd. from 2001 to 2018.

He is President Emeritus of The Organisation of Pharmaceuticals Producers of India (OPPI) and of the Swiss Indian Chamber of Commerce India (SICCI). He is on Advisory Council of The Harvard School of Public Health and past President of the Bombay Chamber of Commerce and Industry (BCCI).

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

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

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

Mr. Molri joined the Board in April, 2019.

(xiv) Mr. Ramanathan Muthu (DIN:01607274) (Non-Executive, Non-Independent Promoter Director representing Holcim Ltd.)

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

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

Mr. Muthu joined the Holcim Ltd in 2005 in the Finance and Controlling function in Zurich, before moving to work in Region Asia Pacific supporting the region in various strategic projects and growth investments. He took on the role of Project Manager for an Energy initiative and Manufacturing transformation across India and South East Asia. He also served as the Executive Assistant to EXCO Member in charge of Asia Pacific working on strategic initiatives across the region before moving back to the Group where he took over the role of Head of Group CEO Office.

Mr. Muthu joined the Board in December, 2020.

(xv) Mr. Neeraj Akhoury (DIN:07419090) (Executive, Non-Independent, Managing Director and CEO)

Mr. Akhoury has a degree in Economics and an MBA from the University of Liverpool. He has also studied one-year General Management at XLRI, Jamshedpur. He is an alumnus of the Harvard Business School.

Mr. Neeraj Akhoury brings with him over 3 decades of rich experience in the steel and cement industries. He has worked in leadership roles in India and other emerging markets.

He began his career with Tata Steel in 1993 and joined the Holcim Group in 1999. He was a member of the Executive Committee of Lafarge India, heading corporate affairs followed by sales. In 2011, he moved to Nigeria as CEO & Managing Director of Lafarge AshakaCem PLC. Thereafter, he was appointed as Strategy & Business Development Director for the Middle East & Africa at the erstwhile Lafarge headquarters in Paris. He was also the CEO of Lafarge Surma Cement Limited and country representative of Holcim Bangladesh.

Mr. Akhoury was appointed as the MD & CEO of ACC Ltd. in February 2017. In February 2020, he took over as CEO India, Holcim, Managing Director & CEO, Ambuja Cements Limited and Non-Executive Director, ACC Ltd. He is the Vice Chairman at the National Council for Cement and Building Materials (NCCBM) constituted by the Ministry of Commerce & Industry, Government of India. He also serves as Vice President of Cement Manufacturers Association of India.

Mr. Akhoury joined the Board in February, 2020. He is a member of the CSR & Sustainability Committee, Risk Management Committee, Compliance Committee, Stakeholders Relationship Committee and a Permanent Invitee of Audit Committee and Nomination and Remuneration Committee.

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

(i) Meetings:

The Board generally meets 5 times during the year and the maximum interval between any two meetings did not exceed 120 days. The Company adheres to the Secretarial Standards on the Board and Committee Meetings as prescribed by the Institute of Company Secretaries of India. The annual calendar of Meetings is broadly determined before the beginning of the year to enable the Directors to plan their schedule and to ensure their meaningful participation in the meetings. At the Meetings, the Board review, deliberate and approve on matters such as business performance, strategy, Capex, CSR & Sustainability, governance and compliance.

The Board has complete access to any information within the Company. Agenda papers containing all necessary information/documents are made available to the Board/ Committee Members in advance to enable them to discharge their responsibilities effectively and take informed decisions. The information as mentioned in Part A of Schedule II of the SEBI Listing Regulations is placed before the Board at its meeting for its consideration, whenever applicable.

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

During the year ended on December 31, 2021, the Board of Directors had 6 meetings. These were held on February 18, 2021, March 26, 2021, April 29, 2021, July 23, 2021, October 26, 2021 and December 16, 2021. Due to the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board Meetings were held through Video Conference.

The names and category of the Directors on the Board, their attendance at Board Meeting held during the year under review and at the last Annual General Meeting (AGM), name of the other Public Companies in which the Director is a Director and the number of the Directorship and Committee Chairmanship/Membership held by them in other public limited company as on December 31, 2021 are given below:-

Sr. No.	Name of the Director	Category	No. of Board Meetings attended (FY 2021)	Attendance at last AGM held on April 9, 2021	No. of Directorships held in Indian Public Companies[1]	Committee Positions in India[2]		Directorship in Public Companies & Category
						Chairman	Member	
1.	Mr. N. S. Sekhsaria, Chairman	Non-Executive Non-Independent	6	No	4	Nil	Nil	Non-Executive, Non-Independent: 1. ACC Ltd. 2. Everest Industries Ltd. 3. JM Financial Asset Reconstruction Ltd. 4. Ambuja Cements Ltd,
2.	Mr. Jan Jenisch, Vice-Chairman	Non-Executive, Non-Independent	5	Yes	2	Nil	Nil	Non-Executive, Non-Independent: 1. ACC Limited 2. Ambuja Cements Ltd.
3.	Mr. Nasser Munjee	Independent	6	Yes	6	4	1	Non-Executive, Independent Director in: 1. Cummins India Ltd. 2. The Indian Hotels Company Ltd. 3. Tata Motors Finance Ltd. 4. Tata Motors Finance Solutions Ltd. 5. TMF Holdings Ltd. 6. Ambuja Cements Ltd.
4.	Mr. Rajendra Chitale	Independent	6	Yes	6	3	4	Non-Executive, Independent Director in: 1. Everest Industries Ltd. 2. Reliance General Insurance Company Ltd. 3. Reliance Nippon Life Insurance Company Ltd. 4. JM Financial Asset Management Ltd. 5. DAM Capital Advisors Ltd. 6. Ambuja Cements Ltd.
5.	Mr. Shailesh Haribhakti	Independent	5	Yes	10	4	6	Non-Executive, Independent Director in Listed Company:- 1. Torrent Pharmaceuticals Ltd. 2. L & T Finance Holdings Ltd. 3. Blue Star Ltd. 4. Future Lifestyle Fashions Ltd. 5. Bajaj Electricals Ltd. 6. ACC Ltd. 7. NSDL E-Governance Infrastructure Ltd. 8. L&T Mutual Fund Trustee Limited 9. Bennett Coleman & Company Ltd. 10. Ambuja Cements Ltd.
6.	Dr. Omkar Goswami	Independent	6	Yes	2	Nil	3	Non-Executive, Independent Director in: 1. Godrej Consumer Products Ltd. 2. Ambuja Cements Ltd.
7.	Ms. Shikha Sharma	Independent	5	Yes	5	Nil	4	Non-Executive, Independent Director in: 1. Dr. Reddy's Laboratories Ltd. 2. Tata Consumer Products Ltd. 3. Tech Mahindra Ltd. 4. Mahindra & Mahindra Ltd. 5. Ambuja Cements Ltd.
8.	Mr. Christof Hassig	Non-Executive, Non-Independent	6	Yes	1	Nil	Nil	Non-Executive, Independent Director in: 1. Ambuja Cements Ltd.
9.	Mr. Martin Kriegner	Non-Executive, Non-Independent	6	Yes	2	Nil	2	Non-Executive, Non-Independent Director: 1. ACC Limited 2. Ambuja Cements Ltd.
10.	Ms. Then Hwee Tan	Non-Executive, Non-Independent	6	Yes	1	Nil	Nil	Non-Executive, Non-Independent Director: 1. Ambuja Cements Ltd.
11.	Mr. Mahendra Kumar Sharma	Non-Executive, Non-Independent	5	Yes	4	1	2	Non-Executive, Independent Director in: 1. Asian Paints Ltd. 2. United Spirits Ltd. 3. Atria Convergence Technologies Ltd. Non-Executive, Non-Independent Director: 1. Ambuja Cements Ltd.

Sr. No.	Name of the Director	Category	No. of Board Meetings attended (FY 2021)	Attendance at last AGM held on April 9, 2021	No. of Directorships held in Indian Public Companies[1]	Committee Positions in India[2]		Directorship in Public Companies & Category
						Chairman	Member	
12.	Mr. Ranjit Shahani	Non-Executive, Non-Independent	6	Yes	4	1	2	Non-Executive, Independent Director in: 1. Hikal Ltd. 2. J. B. Chemicals & Pharmaceuticals Ltd. 3. Wellness Forever Medicare Ltd. Non-Executive, Non-Independent Director: 1. Ambuja Cements Ltd.
13.	Mr. Praveen Kumar Molri	Non-Executive, Non-Independent	6	Yes	1	Nil	Nil	Non-Executive, Non-Independent Director: 1. Ambuja Cements Ltd.
14.	Mr. Ramanathan Muthu	Non-Executive, Non-Independent	5	Yes	1	Nil	Nil	Non-Executive, Non-Independent Director: 1. Ambuja Cements Ltd.
15.	Mr. Neeraj Akhoury	Managing Director and CEO	6	Yes	3	Nil	1	Non-Executive, Non- Independent Director in: 1. ACC Ltd. 2. Holcim Services (South Asia Ltd.) Managing Director & CEO 1. Ambuja Cements Ltd.

1 Includes Indian Public Companies including Ambuja Cements Limited but excluding Directorships in Private Limited Companies, Foreign Companies and Section 8 Companies.

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

(ii) Separate Meeting of Independent Directors:

The role of Independent Directors is to review the performance of the Non-Independent Directors (including the Chairman) and the entire Board and also to assess 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.

During the year ended on December 31, 2021, the Independent Directors met amongst themselves without the presence of the Company executives on December 15, 2021.

(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, Listing Regulations 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 in advance or placed at the meeting) to enable the Board/Committee to take informed decisions. Agenda also includes minutes of the previous meetings of all the Board Committees and unlisted subsidiaries for the information of the Board.

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

(iv) Invitees and Proceedings:

Apart from the Board members, the CFO and the Company Secretary attend all the Board Meetings. Other senior management executives are invited as and whenever necessary. The MD & CEO, the CFO and other senior executives make presentations on quarterly and annual operating and financial performance, annual operating & capex budget, health and safety, marketing and cement industry scenario and other business issues.

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

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

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

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

(vi) Support and Role of Company Secretary:

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

(vii) Compliance Officer:

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

2.7. Induction and Familiarisation Program for Directors:

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

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

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

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

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

The details of familiarisation program can be accessed from the 'Investors' section on the website of the Company.

2.8. Board Evaluation:

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

2.9. Core skills/expertise/competencies of the Board Members

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standard of Corporate Governance. In terms of the requirement of the Listing Regulation, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board along with the names of the Directors, who have such skill/expertise/competence, are given below:-

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

Sr. No.	Name of the Director	Skills
1.	Mr. N. S. Sekhsaria, Chairman	Business & Industry, Financial Expertise, Governance & Compliance
2.	Mr. Jan Jenisch, Vice Chairman	Business & Industry, Financial Expertise
3.	Mr. Nasser Munjee	Financial Expertise, Governance & Compliance
4.	Mr. Rajendra Chitale	Financial Expertise, Governance & Compliance
5.	Mr. Shailesh Haribhakti	Financial Expertise, Governance & Compliance
6.	Dr. Omkar Goswami	Financial Expertise, Governance & Compliance
7.	Ms. Shikha Sharma	Financial Expertise, Governance & Compliance
8.	Mr. Christof Hassig	Business & Industry, Financial Expertise
9.	Mr. Martin Kriegner	Business & Industry, Financial Expertise, Governance & Compliance
10.	Ms. Then Hwee Tan	Business & Industry, Governance & Compliance

Sr. No.	Name of the Director	Skills
11.	Mr. Mahendra Kumar Sharma	Business & Industry, Financial Expertise, Governance & Compliance
12.	Mr. Ranjit Shahani	Business & Industry, Governance & Compliance
13.	Mr. Praveen Kumar Molri	Financial Expertise
14.	Mr. Ramanathan Muthu	Business & Industry, Financial Expertise,
15.	Mr. Neeraj Akhoury	Business & Industry, Financial Expertise, Governance & Compliance

3. COMMITTEES OF THE BOARD:

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

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

3.1 Audit Committee- Mandatory Committee

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

A. Composition and Meetings:

The Audit Committee had 6 meetings during the year 2021. The composition of the Audit Committee as at December 31, 2021 and attendance of each committee member are as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent	6
2.	Mr. Nasser Munjee	Independent	6
3.	Ms. Shikha Sharma	Independent	5
4.	Dr. Omkar Goswami*	Independent	5 of 5
5.	Mr. Martin Kriegner	Non-Independent	6
6.	Mr. Mahendra Kumar Sharma*	Non-Independent	4 of 5

*Dr. Omkar Goswami and Mr. Mahendra Kumar Sharma were inducted as members of the Committee w.e.f February 18, 2021.

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

B. Invitees / Participants:

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

C. Private Meetings:

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

D. Terms of Reference:

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

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

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

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

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

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

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

(v) Subject to review and approval by the Board of Directors, review and approve all Related Party Transactions entered into by the Company pursuant to each omnibus or specific approval.

(vi) Qualification in draft audit report.

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

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

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

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

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

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

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

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

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

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

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

(xviii) Effectiveness of the system for monitoring compliance with laws and regulations and the results of the Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

E. Other Matters:

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

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

F. Details of the payment to Statutory Auditors:

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) have been appointed as the Statutory Auditors of the Company. During the year ended December 31, 2021, the Company and its subsidiary, ACC Ltd. and OneIndia BSC Pvt.Ltd. have paid a consolidated sum of ₹5.53 crores to the Statutory Auditors and all its entities.

3.2. Compliance Committee-Non-Mandatory Committee

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

A. Composition and Meetings:-

During the year under review, the Committee held 4 meetings. The composition of the Compliance Committee as at December 31, 2021 and attendance of each committee member are as under:-

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

B. Invitees / Participants:

The Executive Committee Members and the Head of Legal department are the Permanent Invitees to all the

Committee meetings. The Company Secretary acts as the Secretary to the Committee.

C. Terms of Reference:

The terms of reference of the Committee are to:

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

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

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

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

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

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

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

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

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

3.3. Nomination and Remuneration Committee- Mandatory Committee

A. Composition and Meetings:

The Nomination and Remuneration Committee held 4 meetings during the year. The composition of the Committee as on December 31, 2021 and the attendance of the members are as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Nasser Munjee (Chairman)	Independent	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. Neeraj Akhoury, MD and CEO is the Permanent Invitee to this Committee. The Company Secretary acts as the Secretary to the Committee.

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

The Committee is empowered to -

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

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

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

(iv) Develop a process for evaluation of the Board of Directors including Independent Director and its Committees.

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

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

D. Remuneration Policy

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

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.

Senior Management Employees

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

E. Details of Remuneration Paid to the Directors

Remuneration to Directors:

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

In addition to the sitting fees, the Company also pays commission to the Non-Executive Directors for their overall engagement and contribution for the Company's business. The Commission is paid on a uniform basis to reinforce the principle of collective responsibility. Accordingly, the Company has provided for payment of commission of ₹20 lakh to each of the Non-Executive Directors who were in office for the whole of the financial year 2021 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 lakh 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 2021 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 lakh per Director.

The Commission to Directors is generally revised once in three years. However, for this Financial Year 2021, inspite of the better than previous year performance by the Company, the Directors decided to continue with the same commission keeping in view the current pandemic situation.

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

None of the Directors hold any convertible instruments.

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Directors during the year ended on December 31, 2021 are given below:-

(₹ in lakh)

Sr. No.	Name of the Director	Remuneration	Sitting Fees	Commission	No. of Shares held
1.	Mr. N. S. Sekhsaria	Nil	4.20	50.00	1,000
2.	Mr. Jan Jenisch	Nil	2.50	20.00	Nil
3.	Mr. Nasser Munjee	Nil	8.70	36.00	Nil
4.	Mr. Rajendra Chitale	Nil	9.60	45.00	4,945
5.	Mr. Shailesh Haribhakti	Nil	7.00	36.00	Nil
6.	Dr. Omkar Goswami	Nil	8.50	36.00	Nil
7.	Ms. Shikha Sharma	Nil	5.30	36.00	Nil
8.	Mr. Christof Hassig	Nil	3.00	20.00	Nil
9.	Mr. Martin Kriegner[2]	Nil	Nil	Nil	Nil
10.	Ms. Then Hwee Tan	Nil	4.20	36.00	Nil
11.	Mr. Mahendra Kumar Sharma	Nil	4.50	33.90	Nil
12.	Mr. Ranjit Shahani	Nil	4.50	20.00	Nil
13.	Mr. Praveen Kumar Molri	Nil	3.00	20.00	Nil
14.	Mr. Ramanathan Muthu	Nil	2.50	20.00	Nil
15.	Mr. Neeraj Akhoury[3] MD & CEO	1154.40	Nil	Nil	Nil
	TOTAL	**1154.40**	**67.50**	**408.90**	**5,945**

Note:

1. The Company has not issued any stock options to the Independent Directors.
2. Mr. Martin Kriegner has waived his right to receive any sitting fees and/or commission effective October, 2018.
3. Appointment of MD and CEO is governed by a service contract for a period of 5 years and the notice period of 3 months. His remuneration includes basic salary, performance bonus, allowances, contribution to provident, superannuation, Holcim performance shares, national pension scheme etc. and perquisites (including monetary value of taxable perquisites) etc.

3.4. Stakeholder's Relationship Committee – Mandatory Committee

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

A. Composition and Meetings:

The Stakeholders Relationship Committee had 5 meetings during the year. The Composition of the Committee as at December 31, 2021 and the details of the Members participation at the meeting of the Committee are as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Ranjit Shahani (Chairman)	Non- Independent	5
2.	Mr. Rajendra Chitale	Independent	5
3.	Dr. Omkar Goswami	Independent	5
4.	Mr. Neeraj Akhoury	Managing Director & CEO	5

Mr. Ranjit Shahani, Chairman of the Committee was present at the last Annual General meeting for answering the shareholders queries.

B. Redressal of Investors' Grievances

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

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

Nature of Complaints	Opening	Received	Resolved	Pending Resolution
Non-Receipt of Bonus Shares	Nil	Nil	Nil	Nil
Non-Receipt of Transferred Shares	Nil	Nil	Nil	Nil
Non-Receipt of Dividend	Nil	Nil	Nil	Nil
Non-Receipt of Revalidated Dividend Warrants	Nil	Nil	Nil	Nil
Letters from SEBI / Stock Exchanges, Ministry of Corporate Affairs etc.	Nil	29	29	Nil
Demat Queries	Nil	1	1	Nil
Miscellaneous Complaints	Nil	Nil	Nil	Nil
TOTAL	**Nil**	**30**	**30**	**Nil**

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

Over and above the aforesaid complaints, the Company and its Registrar and Share Transfer Agent have received around 8389 letters / queries / requests on various matters such as change of address, change of bank particulars, ECS mandate, nomination request etc. and we are pleased to report that except for requests received towards the year end which are under process, all other queries / requests have been replied on time.

3.5. CSR and Sustainability Committee-Mandatory Committee

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

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

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

A. Composition and Meetings:

The Committee is headed by the Board Chairman, Mr. N.S. Sekhsaria. The Committee held 5 meetings during the year 2021. The details of the composition and the attendance at meeting as on December 31, 2021 is as under:-

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

B. Invitees and Participants

Ms. Pearl Tiwari, Head – ACF is the Permanent Invitee to this Committee. The Company Secretary acts as the Secretary to the Committee.

C. Terms of Reference:

The Terms of Reference of the Committee are to:-

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

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

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

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

Constitution of Sustainability Committee – Non-Mandatory Committee

The importance of sustainability in business and for stakeholders has grown manifold and Commitments by the Holcim Group and the Company to be Net Zero by 2050 to fight climate change is a significant step towards sustainability. The key sustainability areas include Circular Economy (Alternative Fuels and Raw Materials, Construction & Demolition Waste), Environment, Water and Nature (Biodiversity), Waste Management, Renewable Energy, Health and Safety, Sustainable Construction Practices etc. Shareholders and other stakeholders are increasingly looking for more sustainable actions from the companies.

In order to maintain the fine balance between the business and the sustainability initiatives, its periodic review and to get regular guidance from a standalone committee of the Board, CSR & Sustainability Committee was bifurcated into CSR Committee and the separate Sustainability Committee of the Board was constituted w.e.f January 1, 2022. The Sustainability Committee shall comprise of the following Member Directors:

Composition

Sr. No.	Name of the Directors	Category
1.	Mr. Martin Kriegner (Chairman)	Non-Independent
2.	Mr. N.S. Sekhsaria	Non-Independent
3.	Mr. Ranjit Shahani	Non-Independent
4.	Mr. Mahendra Kumar Sharma	Non-Independent
5.	Mr. Nasser Munjee	Independent
6.	Mr. Neeraj Akhoury	Managing Director and CEO

Terms of Reference

The Terms of Reference of the Committee are to:-

a) review and monitor Sustainability initiatives and its performance and such other related aspects;

b) review and approve changes in Sustainability Policies, Targets (Short-term and long-term), and Budget (if any), from time to time;

c) review the progress on Science Based Targets (SBT), Net Zero path or any such voluntary commitments made by the Company, nationally or globally;

d) Ensure the development and execution of a sustainability and decarbonisation strategy and roadmap;

e) Ensure compliance with the relevant laws, rules and regulations governing the Sustainability and to periodically report to the Board of Directors.

3.6 Risk Management Committee-Mandatory Committee

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

A. Composition and Meetings:

During the year ended on December 31, 2021, this Committee had 2 meetings which were attended by the members as under:-

Sr. No.	Name of the Directors	Category	No. of Meetings Attended
1.	Mr. Rajendra Chitale (Chairman)	Independent	2
2.	Mr. Nasser Munjee	Independent	1
3.	Mr. Shailesh Haribhakti	Independent	2
4.	Mr. Neeraj Akhoury	Managing Director and CEO	2

B. Terms of Reference:

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

The Terms of Reference of the Committee are to:-

a) review the framework of Business Risk Management process;

b) risk identification and assessment;

c) review and monitoring of risk mitigation plans and its implementation.

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

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

3.7 Management Committee- Non-Mandatory Committee

The Management Committee is formed to authorise grant of Power of Attorney to executives, to approve various facilities as and when granted by the Banks and execution of documents for these facilities. Four committee meetings were held during the year 2021. The committee comprises of Mr. Rajendra Chitale - Chairman, Mr. Shailesh Haribhakti and Mr. Neeraj Akhoury as the Members.

4. CODE & VIGIL MECHANISM

4.1 Code of Conduct:

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

To raise awareness on relevant topics from the Code amongst employees, the Company conducts regular awareness workshops right from the induction stage to periodic face to face trainings and online courses and also circulates awareness emails from time to time.

All the Board members and senior management personnel have confirmed compliance with the code during the year 2021. A declaration to that effect signed by the Managing Director and CEO is attached and forms part of the Annual Report of the Company.

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

4.2 Prevention of Insider Trading Code:

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

4.3 Vigil Mechanism and Ethical View Policy:

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

The main objectives of the policy are:

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

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

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

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

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

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

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

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

(i) Mr. Rajiv Gandhi (Company Secretary), Member and Secretary

(ii) Mr. Prabhakar Mukhopadhyay (Chief Internal Auditor), Member

(iii) Mr. Kanaiya Thakker (Joint President Legal), Member

(iv) Mr. Rahul Maitra (Chief Human Resource Officer), Member

(v) Mr. Sanjay Kumar Khajanchi (Joint President Finance & Controlling), Member

The EVC is responsible for the following:

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

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

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

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

(v) annual review of the policy.

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

During the year 2021, a total of 37 complaints have been filed. Of these, based on the pre-assessment of the EVC, 13 complaints did not warrant further investigation. 22 complaints were investigated and concluded whereas 2 complaints are still under investigation. The cases investigated were mainly of the nature of alleged bribery kickbacks, violation of Code of Conduct, conflict of interest, etc. Appropriate actions have been taken where the case is proved. These were in the form of termination, transfer and issue of warning letters to employees and termination of contract, blacklisting of vendor, etc. The financial impact of these cases were insignificant and caused no material damages to the Company.

5. GENERAL BODY MEETINGS

(i) Annual General Meeting (AGM):

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

Financial Year/AGM	Venue of AGM	Date, Day and Time	Special Resolution passed
2020 38th AGM	Video conferencing (VC) /Other Audio Visual Means(OAVM)	Friday, April 9, 2021 at 12:00 noon	No special resolutions were passed.
2019 37th AGM	Video conferencing (VC) /Other Audio Visual Means(OAVM)	Friday, July 10, 2020 at 10.30 a.m.	No special resolutions were passed.
2018 36th AGM	At the Registered Office at Ambujanagar, Kodinar, Dist. Gir Somnath, Gujarat	Friday, March 29, 2019 at 10.30 a.m.	Re-appointment of Mr. Nasser Munjee, Mr.Rajendra Chitale, Mr. Shailesh Haribhakti and Dr. Omkar Goswami as Independent Director for the second term.

6. DISCLOSURES

1. **Related Party Transactions:** There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or subsidiaries that had potential conflict with the interest of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard-24, are disclosed in notes to accounts annexed to the financial statements and the details of significant transactions in Form AOC-2 is annexed to the Directors Report.

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

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

3. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

4. **Details of non-compliance:** No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

5. **Recommendation of the Board Committees:** During the year under review, there has been no instances of rejection by the Board of any recommendations made by any of its Committees.

6. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. The details of the Risk Management Committee are provided at point no. 3.6 of this report.

7. The Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 (relating to disclosure on the website of the Company).

8. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

7. **CEO / CFO Certification**

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

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

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

8.1 **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director and CEO.

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

8.3 **Modified Opinion in Auditors Report:** The Company's financial statements for the year 2021 do not contain any modified audit opinion.

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

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

9. MEANS OF COMMUNICATION

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

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

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

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

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

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

Filing with the Stock Exchanges: All periodical compliance filings required to be filed with the Stock Exchanges like shareholding pattern, corporate governance report, media releases, statement of investor complaints, among others are filed electronically with the BSE Limited and the National Stock Exchange of India Limited.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Reminder to Investors: Reminders to the shareholders are sent for claiming returned undelivered shares certificates, unclaimed dividend investor complaints etc.

10. GENERAL SHAREHOLDERS' INFORMATION

10.1 39th Annual General Meeting:

Day and Date	: Friday, April 29, 2022
Time	: 2.00 p.m.
Venue	: Video conferencing (VC) /Other Audio Visual Means(OAVM)

10.2 Financial Calendar:

The Company follows the period of January 1 to December 31, as the Financial Year. For the FY 2022, financial results will be announced as per the following tentative schedule:-

First quarterly results	: April, 2022
Second quarterly / Half yearly results	: July, 2022
Third quarterly results	: October, 2022
Annual results for the year ending on December 31, 2022	: February, 2023
Annual General Meeting for the year ending on December 31, 2022	: April, 2023

10.3 Record Date:

The Company has fixed Friday, April 1, 2022 as the Record date for determining the shareholders to whom the dividend shall be paid.

10.4 Dividend Payment Date:

Dividend shall be paid to all the eligible shareholders from May 5, 2022 onwards.

10.5 Dividend Policy:

The Company is paying dividend from its very first full year of operation. From a modest dividend of 11% in 1987-88, the Company has been rewarding its shareholders with appropriate dividend.

During the last 5 years, the Company has usually been maintaining the pay-out ratio of more than 20%. The Board of Directors have framed a Dividend Policy which is posted on the website of the Company.

10.6 Dividend history for the last 5 years is as under:

Financial year	Interim Dividend Rate (%)	Final Dividend Rate (%)	Total Dividend Rate (%)	Dividend Amt. (₹ in crore)
2016	80	60	140	486.58
2017	80	100	180	714.83
2018	Nil	75	75	297.85
2019	75	Nil	75	297.85
2020	850	50	900	3574.16

10.7 Listing of Shares and Other Securities:

A. Equity Shares

The equity shares are at present listed on the following Stock Exchanges and the Listing fees have been duly paid to the Exchanges:

Name of the Stock Exchanges and the stock code/Symbol

(i) BSE Ltd. 500425

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

(ii) National Stock Exchange of India Ltd. AMBUJACEM

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

B. Debentures

There are no outstanding debentures.

C. GDRs

The GDRs are listed under the EURO MTF Platform (Code:US02336R2004) of Luxembourg Stock Exchange, S.A, 35A Boulevard Joseph II, L-1840, Luxembourg.

D. ISIN Code for the Company's equity share:

INE079A01024

E. Corporate Identity Number (CIN):

L26942GJ1981PLC004717

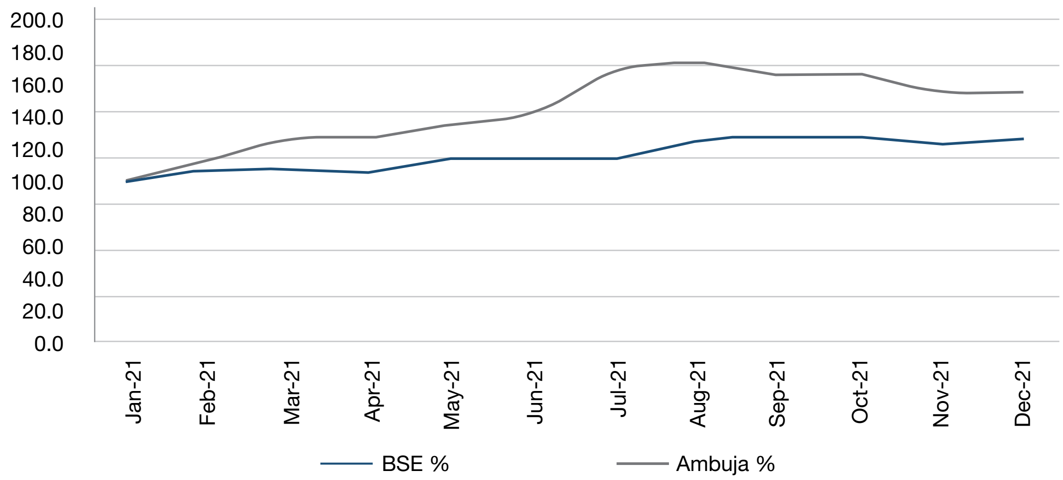
10.8 Market Price Data:

The high / low market price of the shares during the year 2021 at the Bombay Stock Exchange Limited and at National Stock Exchange of India Ltd. were as under:-

Month	Bombay Stock Exchange		National Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
January-21	274.40	242.00	274.60	241.75
February-21	290.70	242.35	290.50	242.10
March-21	310.80	273.50	310.95	273.50
April-21	329.90	285.30	329.90	285.30
May-21	335.30	300.20	335.00	300.00
June-21	351.15	323.15	351.50	322.55
July-21	415.00	337.20	415.35	337.25
August-21	427.20	381.50	427.40	381.25
September-21	442.95	398.50	442.50	398.40
October-21	417.25	365.95	418.00	365.75
November-21	435.25	359.90	435.00	360.05
December-21	387.30	345.00	387.40	347.00

10.9 Performance in comparison to broad based indices

Ambuja Cement v/s BSE Sensex



10.10 Share Transfer Agents:

The details of the Registrar and Share Transfer Agents are:

Link Intime India Pvt Ltd,
C-101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai – 400 083.
Tel : +91-022-4918 6000/49186270;
Email: rnt.helpdesk@linkintime.co.in.

10.11 Share Transfer System:

The Board-level Stakeholders' Relationship Committee examines and redresses investors' grievances. The status of investors' grievances and share transfers are reported to the Board.

As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company i.e https://www.ambujacement.com.

Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

Shareholders should communicate with Link Intime India Private Limited, the Company's Registrars & Share Transfer Agent at rnt.helpdesk@linkintime.co.in quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

The average time taken for processing and registration of relodged share transfer requests is less than 15 days. The Stakeholders Relationship Committee considers the transfer proposals generally on a weekly basis.

10.12 Distribution of Shareholding:

The shareholding distribution of the equity shares as on December 31, 2021 is given below:-

No. of Equity Shares	No. of Shareholders	No. of Shares	Percentage of Shareholding
Less than 50	2,22,316	38,22,775	0.19
51 to 100	41,377	35,29,539	0.18
101 to 500	38,640	94,15,747	0.47
501 to 1000	8,042	63,25,264	0.32
1001 to 5000	12,180	3,14,12,921	1.58
5001 to 10000	2,252	1,62,38,836	0.82
10001 to 50000	1,479	2,87,76,531	1.45
50001 to 100000	167	1,19,14,628	0.60
100001 to 500000	254	6,17,70,636	3.11
500001 and above	198	1,81,24,38,352	91.28
TOTAL	**3,26,905**	**1,98,56,45,229**	**100.00**

10.13 Shareholding Pattern:

The shareholding of different categories of the shareholders as on December 31, 2021 is given below:-

Category	No. of Shares	(%)
Foreign Promoters	1,25,31,56,361	63.11
Foreign Investors (FIIS)	29,11,90,126	14.66
Mutual Funds, Banks & Financial Institution	29,92,61,133	15.07
OCB's, NRI's	1,04,03,833	0.52
Body Corporates	93,25,672	0.47
GDR Holders	32,17,839	0.16
Others	11,90,90,265	6.00
Total	**1,98,56,45,229**	**100.00**

10.14 Dematerialisation of Shares:

About 99.44% of total equity share capital is held in dematerialised form with NSDL and CDSL as on December 31, 2021.

10.15 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

10.16 Outstanding GDRs or Warrants or any Convertible Instrument, conversion Dates and likely impact on Equity:

(i) The Company had issued Foreign Currency Convertible Bonds (FCCB) in the year 1993 and 2001. Out of the total conversion of these bonds into GDRs, 32,17,839 GDRs are outstanding as on December 31, 2021 which is listed on the Luxembourg Stock Exchange. The underlying shares representing the outstanding GDRs have already been included in equity share capital. Therefore, there will be no further impact on the equity share capital of the Company.

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

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

(₹ in crore)

Sr. No.	Issue Particulars	Conversion rate (₹ per share)	Likely impact on full con-version	
			Share Capi-tal	Share Pre-mium
(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 crore.

10.17 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The company does not have any exposure hedged through Commodity derivatives.

The company has well defined Forex Exchange Risk Management Policy approved by Board of Directors, forex exposure are duly hedged as per the said policy through plain vanilla forward covers.

10.18 Credit Rating:

During the year under review, the Company retained its domestic credit ratings of CRISIL AAA / A1+ from CRISIL for its bank loan facilities. During the year under review, the Company has not issued any debt instrument or any fixed deposit programme.

10.19 Plant Locations:

Integrated Cement Plants	Bulk Cement Terminals
(i) Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat.	(i) Muldwarka, District Gir Somnath, Gujarat.
(ii) Darlaghat, District Solan, Himachal Pradesh.	(ii) Panvel, District Raigad, Maharashtra.
(iii) Maratha Cement Works, Dist. Chandrapur, Maharashtra.	(iii) Cochin, Kerala.
(iv) Rabriyawas, Dist. Pali, Rajasthan.	(iv) Mangalore, Karnataka
(v) Bhatapara, Dist. Raipur, Chhattisgarh.	(v) Magdalla, District, Surat, Gujarat
(vi) Marwar, Dist Naguar, Rajasthan	

Grinding Stations

(i) Bathinda, Punjab.

(ii) Dadri, Dist Gautam Budh Nagar, Uttar Pradesh.

(iii) Farakka, Dist. Murshidabad, West Bengal.

(iv) Nalagarh, Dist. Solan, Himachal Pradesh

(v) Ropar District, Punjab.

(vi) Roorkee, Dist. Haridwar, Uttaranchal.

(vii) Sankrail, Dist. Howrah, West Bengal.

(viii) Magdalla, Dist. Surat, Gujarat.

10.20 Registered Office:

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

10.21 Address for Correspondence:

(a) **Corporate Office:** Ambuja Cements Limited, 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:- investors.relation@ambujacement.com.

10.22 Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund

During the year under review, the final dividend amount for the year ended December 31, 2013 and the interim dividend for the year December 31, 2014 were transferred to the Investor Education and Protection Fund.

10.23 Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, ("Rules") all shares on which dividend has not been paid or claimed for seven consecutive years or more is required to be transferred to an IEPF after complying with the procedure laid down under the Rules.

The Company in compliance with the aforesaid provisions and the Rules has transferred 36,75,074 equity shares of the face value of ₹2/- each belonging to 33,083 shareholders underlying the unclaimed dividends. The market value of the shares transferred is ₹138.73 crore considering the share price as on December 31, 2021.

Members are requested to take note that the company has also initiated the process for transfer of the shares underlying the unclaimed / unpaid final dividend declared for the financial year 2014, which is due for transfer to IEPF Account during May, 2022. Members may after completing the necessary formalities, claim their unclaimed dividends immediately to avoid transfer of the underlying shares to the IEPF.

Members may note that the dividend and shares transferred to the IEPF can be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure prescribed under the Rules. Information on the procedure to be followed for claiming the dividend /shares is available on the website of the company.

10.24 Disclosure relating to Demat Suspense Account/ Unclaimed Suspense Account

In according with the requirement of Regulation 34 (3) and Part F of the Schedule V of the Listing Regulations 2015, the Company report the following details in respect of equity shares lying in the Suspense account:

Particulars	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year 2021	1481	9,89,496
Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during 2021	9	5,566
Less: Number of shares Transferred to Investor Education and Protection Fund (IEPF)	201	33,721
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the Financial Year 2021	1271	9,50,209

The voting rights on these shares will remain frozen till the rightful owner claims the shares.

11. SUBSIDIARY COMPANIES

The Company does not have any material unlisted subsidiary companies as defined in Regulation 16 of the Listing Regulations, 2015.

The Board of Directors of the Company periodically review the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

Copies of the Minutes of the Board Meeting of the unlisted subsidiary Company were placed at the Board Meeting of the Company held during the year.

The Company has framed the policy for determining material subsidiary and the same is disclosed on the Company's website.

Accordingly, the requirement of appointment of Independent Director of the Company on the Board of Directors of the material unlisted subsidiary companies as per Regulation 24 of the Listing Regulations does not apply.

WEBLINKS FOR THE MATTERS REFERRED IN THIS REPORT

Weblink for the policies/codes referred to the Corporate Governance Report are as under:-

Particulars	Website Link
Policy on Board Diversity	https://www.ambujacement.com/Upload/PDF/policy-on-board-diversity.pdf
Code of Conduct	https://www.ambujacement.com/Upload/PDF/Code-of-Conduct_Updated_Latest.pdf
CSR Policy	https://www.ambujacement.com/Upload/PDF/ACL-CSR-Policy-2021.pdf
Dividend Distribution Policy	https://www.ambujacement.com/Upload/PDF/dividend-distribution-policy.pdf
Policy on determination & disclosure of materiality of events	https://www.ambujacement.com/Upload/PDF/Policy-for-Dissemination-of-Information-of-Stock-Exchange2019.pdf
Ethical View Policy (Vigil Mechanism & Whistle Blower Policy)	https://www.ambujacement.com/Upload/PDF/Ethical-View-Reporting-Policy-June-2020.pdf
Insider Trading Code	https://www.ambujacement.com/Upload/PDF/Insider-Trading-Code-of-Conduct-18102019.pdf
Familiarisation Programme for Independent Directors	https://www.ambujacement.com/Upload/PDF/Familiarization-Programme-for-Independent-Directors.pdf
Policy for determining material Subsidiary	https://www.ambujacement.com/Upload/PDF/Policy-for-determining-Material-Subsidiaries2019.pdf
Policy on materiality of Related Party Transaction	https://www.ambujacement.com/Upload/PDF/Policy-on-materiality-of-RPT-221020.pdf
Letter of Appointment to Independent Director	https://www.ambujacement.com/Upload/PDF/Letter-of-appointment-Independent-Directors.pdf
Details of unpaid and unclaimed dividends and shares transferred to IEPF	https://www.ambujacement.com/investors/transfer-of-unpaid-and-unclaimed-dividends-and-shares-to-iepf
Policy for selection, appointment & remuneration of Directors	https://www.ambujacement.com/Upload/PDF/policy-for-selection-appointment-and-remuneartion-of-directors.pdf

DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company during the year 2021.

Neeraj Akhoury
Managing Director & CEO

Mumbai, February 17, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
AMBUJA CEMENTS LIMITED
Ambuja Nagar - 362 715
Taluka: Kodinar,
District: Gir Somnath
(Gujarat)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AMBUJA CEMENTS LIMITED - CIN L26942GJ1981PLC004717 (hereinafter referred to as 'the Company') having registered office at Ambuja Nagar - 362 715, Taluka - Kodinar, District - Gir Somnath (Gujarat) and Corporate Office at Elegant Business Park, MIDC Cross Road 'B', Off Andheri Kurla Road, Andheri (East), Mumbai - 400 059, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below and who were on the Board of Directors of the Company as on December 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Narotam Satyanarayan Sekhsaria	00276351	10/11/1982
2.	Omkar Goswami	00004258	20/07/2006
3.	Shailesh Vishnubhai Haribhakti	00007347	03/05/2006
4.	Nasser Mukhtar Munjee	00010180	16/08/2001
5.	Rajendra Prabhakar Chitale	00015986	04/07/2002
6.	Shikha Sanjaya Sharma	00043265	01/04/2019
7.	Martin Kriegner	00077715	11/02/2016
8.	Ranjit Gobindram Shahani	00103845	01/04/2019
9.	Mahendra Kumar Sharma	00327684	01/04/2019
10.	Muthu Ramanathan	01607274	23/12/2020
11.	Christof Werner Hassig	01680305	09/12/2015
12.	Neeraj Akhoury	07419090	21/02/2020
13.	Praveen Kumar Molri	07810173	01/04/2019
14.	Jan Philipp Jenisch	07957196	24/10/2017
15.	Then Hwee Tan	08354724	18/02/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Surendra Kanstiya Associates
Company Secretaries

Surendra U. Kanstiya
Proprietor
FCS 2777. CP No 1744
UIN: S1990MH007900
UDIN: F002777C002301141

Place: Mumbai
Date: January 27, 2022

AUDITORS' CERTIFICATE

To,
The Members of Ambuja Cements Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated April 10, 2021.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Ambuja Cements Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2021.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Saira Nainar
Partner
(Membership No. 040081)
UDIN No.: 22040081ACYTRB1350

Mumbai
February 17, 2022

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors
Ambuja Cements Ltd.

We have reviewed the attached financial statements and the cash flow statement of Ambuja Cements Ltd. for the financial year ended December 31, 2021 and that to the best of our knowledge and belief, we state that;

(a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

(i) Significant changes, if any, in the internal control over financial reporting during the year.

(ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Neeraj Akhoury
Managing Director & Chief Executive Officer

Rajani Kesari
Chief Financial Officer

Place: Mumbai
Date: February 17, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of Ambuja Cements Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Ambuja Cements Limited ("the Company"), which comprise the Balance Sheet as at 31st December, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and which includes a joint operation accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December 2021, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to the following matters in Notes 48(b)(i) and 48(b)(ii) to the standalone financial statements:

a. In terms of the order dated 31st August, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crores for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), which replaced the Competition Appellate Tribunal (COMPAT) effective 26th May, 2017, in its order passed on 25th July, 2018 had upheld the CCI's Order. The Company's appeal against the said judgement of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated 5th October, 2018 with a direction that the interim order passed by the Tribunal would continue.

b. In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI vide its order dated 19th January, 2017, had imposed a penalty of ₹ 29.84 crores for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT has stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals, supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these Standalone Financial Statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Responses
1	**Litigation, Claims and Contingent Liabilities:** (Refer Notes 3J and 48, read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements) The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims (including claims receivable) and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities. • Examined the Company's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the Management from external law firms to evaluate the basis used for provisions recognised or the disclosures made in the standalone financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions.
2.	**Income tax provision :** (Refer Notes 3P, 30, 31 and 48 of the standalone financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes / litigations • Provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2021 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax provisions. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where Management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information, and consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The respective Board of Directors of the Company and its Joint Operation Company are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company and its joint operation so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st December, 2021 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its joint operation, none of the directors of the Company and its joint operation is disqualified as on 31st December, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 48 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company , on the basis of information available with the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ACYPKH5174)

Place : Mumbai
Date : 17th February, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2021)

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, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ACYPKH5174)

Place : Mumbai
Date : 17th February, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone financial statements for the year ended 31st December, 2021 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 programme 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 programme, 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) In our opinion and 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 / conveyance deed / other relevant records evidencing title of the company, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold other than self constructed assets included in property plant and equipment, are held in the name of the Company as at the balance sheet date, except the following which are not held in the name of the company as given below:

(₹ in Crore)

Particulars of the land and building	Gross block as at 31st December, 2021	Net Block as at 31st December, 2021	Total number of cases	Remarks
Freehold land	1.30	1.30	13	Title deeds are in the name of the wholly owned subsidiary and entities taken over/ merged with the Company.

(ii) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment's / right-of-use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees to directors or companies in which directors are interested which are covered under Section 185. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st December, 2021 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for manufacture of cement. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st December, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Goods and Service Tax (GST), Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st December, 2021 on account of disputes are given below:

Name of the Statute	Nature of Dues	Period to which the amount relates	Forum where dispute is pending (₹ in Crore)				
			Commisionerate	Appellate authorities and Tribunal	High Courts	Supreme Court	Total
Central Sales Tax Act, 1956 and various State Sales Tax Acts	Demand of sales tax/ Additional purchase tax, Interest and Penalty	1988-89 to 2017-18	28.36	14.34	129.21	112.92	284.93
Customs Act, 1962	Demand of Customs Duty, interest and penalty	2000-01 to 2013-14	0.48	38.07	-	-	38.55
Goods and Service Tax Act, 2017	Demand of GST	2018-19 to 2020-21	1.19	-	-	-	1.19
Central excise Act, 1944	Demand of Excise duty, Denial of Cenvat Credit, Interest and Penalty	1994-95 to 2017-18	8.99	18.60	0.18	2.06	29.83
Finance Act, 1994	Denial of service tax credit and penalty	2004-05 to 2017-18	6.74	256.11	-	-	262.85
Income Tax Act, 1961	Income tax and Interest	AY 2007-08 to AY 2013-14	76.63	15.56	1.38	-	93.57

Amounts given above are net of amounts deposited.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to government. The Company did not have any outstanding loans or borrowings in respect of a financial institution or bank or dues to debenture holders during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 22040081ACYPKH5174)

Place : Mumbai
Date : 17th February, 2022

BALANCE SHEET
as at 31st December 2021

Particulars			Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
ASSETS					
1	**Non-current assets**				
	a)	Property, plant and equipment	4	7,128.30	5,382.88
	b)	Right-of-use assets	5	343.26	373.98
	c)	Capital work-in-progress (Refer Note 4(g))		951.32	1,873.74
	d)	Goodwill	6	-	-
	e)	Other intangible assets	7	174.15	174.64
	f)	Investments in subsidiaries and joint venture	9	11,787.71	11,787.71
	g)	Financial assets			
		i) Investments	10	9.20	4.50
		ii) Loans	11	1.52	0.94
		iii) Other financial assets	12	338.79	613.33
	h)	Non-current tax assets (net) (Refer Note 30)		118.58	152.19
	i)	Other non-current assets	13	545.94	686.66
		Total - Non-current assets		**21,398.77**	**21,050.57**
2	**Current assets**				
	a)	Inventories	14	1,463.57	746.61
	b)	Financial assets			
		i) Trade receivables	15	293.17	191.51
		ii) Cash and cash equivalents	16	3,984.70	2,716.91
		iii) Bank balances other than cash and cash equivalents	17	178.37	207.43
		iv) Loans	18	4.76	4.43
		v) Other financial assets	19	204.89	78.82
	c)	Other current assets	20	620.46	460.35
				6,749.92	**4,406.06**
	d)	Non-current assets classified as held for sale	21	24.75	24.75
		Total - Current assets		**6,774.67**	**4,430.81**
		TOTAL - ASSETS		**28,173.44**	**25,481.38**
EQUITY AND LIABILITIES					
Equity					
	a)	Equity share capital	22	397.13	397.13
	b)	Other equity	25	21,810.13	19,918.73
		Total Equity		**22,207.26**	**20,315.86**
Liabilities					
1	**Non-current liabilities**				
	a)	Financial liabilities			
		i) Borrowings	26	43.50	43.60
		ii) Lease liability	27	261.15	296.64
		iii) Other financial liabilities	28	0.13	0.13
	b)	Provisions	29	65.12	55.62
	c)	Deferred tax liabilities (net)	30	201.79	185.95
	d)	Other non-current liabilities	32	36.74	40.05
		Total - Non-current liabilities		**608.43**	**621.99**
2	**Current liabilities**				
	a)	Financial liabilities			
		i) Trade payables			
		Total outstanding dues of micro and small enterprises	33	7.57	2.46
		Total outstanding dues of creditors other than micro and small enterprises		1,136.83	878.44
		ii) Lease liability (Refer Note 52)		42.90	27.88
		ii) Other financial liabilities	34	879.24	737.77
	b)	Other current liabilities	35	2,040.12	1,911.97
	c)	Provisions	36	8.92	3.85
	d)	Current tax liabilities (net) (Refer Note 30)		1,242.17	981.16
		Total - Current liabilities		**5,357.75**	**4,543.53**
		Total Liabilities		**5,966.18**	**5,165.52**
		TOTAL - EQUITY AND LIABILITIES		**28,173.44**	**25,481.38**

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Mumbai : 17th February 2022

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

STATEMENT OF PROFIT AND LOSS

for the year ended 31st December 2021

	Particulars		Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
1	**INCOME**				
	a)	Revenue from operations	37	13,964.95	11,371.86
	b)	Other income	38	285.64	372.00
		Total Income		**14,250.59**	**11,743.86**
2	**EXPENSES**				
	a)	Cost of materials consumed	39	1,134.25	874.88
	b)	Purchase of stock-in-trade	40	381.39	197.31
	c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	41	(356.13)	114.08
	d)	Employee benefits expense	42	677.65	668.78
	e)	Finance costs	43	90.94	83.05
	f)	Depreciation and amortisation expense	44	551.24	521.17
	g)	Power and fuel		3,421.01	2,251.91
	h)	Freight and forwarding expense	45	3,308.33	2,854.88
	i)	Other expenses	46	2,211.15	1,784.54
				11,419.83	**9,350.60**
	j)	Self consumption of cement		(20.18)	(21.12)
		Total Expenses		**11,399.65**	**9,329.48**
3	**PROFIT BEFORE TAX (1-2)**			2,850.94	2,414.38
4	**EXCEPTIONAL ITEMS**		59	65.69	-
5	**PROFIT BEFORE TAX (3-4)**			**2,785.25**	**2,414.38**
6	**TAX EXPENSE**		31		
	a)	Deferred tax charge / (credit)		690.79	652.04
	b)	Deferred tax - (credit)		13.92	(27.76)
				704.71	**624.28**
7	**PROFIT FOR THE YEAR (5-6)**			**2,080.54**	**1,790.10**
8	**OTHER COMPREHENSIVE INCOME**				
	Items not to be reclassified to profit or loss in subsequent periods				
	Remeasurement gains / (losses) on defined benefit plans			7.51	(9.32)
	Tax expenses on above			(1.92)	2.35
	Total other comprehensive income			**5.59**	**(6.97)**
9	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (7+8)**			**2,086.13**	**1,783.13**
10	**EARNINGS PER SHARE OF ₹ 2 EACH - IN ₹**		47		
	Basic			10.48	9.02
	Diluted			10.48	9.01

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Mumbai : 17th February 2022

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

Rajiv Gandhi
Company Secretary

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

Martin Kriegner
Director
DIN - 00077715

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st December 2021

Particulars	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
A) EQUITY SHARE CAPITAL	22		
Opening balance		397.13	397.13
Changes during the year		-	-
Closing balance		**397.13**	**397.13**

Particulars	Reserves and surplus (Refer Note 25)							
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidies	Capital contribution from parent	Retained earnings	Total
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
B) OTHER EQUITY								
Balance as at 1st January 2021	**130.71**	**12,471.07**	**5,655.83**	**9.93**	**5.02**	**1.53**	**1,644.64**	**19,918.73**
Profit for the year	-	-	-	-	-	-	2,080.54	2,080.54
Other comprehensive income (net of tax expenses)	-	-	-	-	-	-	5.59	5.59
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,086.13**	**2,086.13**
Share based payment (Refer Note 49)	-	-	-	-	-	3.83	-	3.83
Final equity dividend paid for the year 2020 (Refer Note 24)	-	-	-	-	-	-	(198.56)	(198.56)
Balance as at 31st December 2021	**130.71**	**12,471.07**	**5,655.83**	**9.93**	**5.02**	**5.36**	**3,532.21**	**21,810.13**

Particulars	Reserves and surplus (Refer Note 25)							
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidies	Capital contribution from parent	Retained earnings	Total
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
B) OTHER EQUITY								
Balance as at 1st January 2020	**130.71**	**12,471.07**	**5,655.83**	**9.93**	**5.02**	**0.53**	**3,534.96**	**21,808.05**
Profit for the year	-	-	-	-	-	-	1,790.10	1,790.10
Other comprehensive income (net of tax expenses)	-	-	-	-	-	-	(6.97)	(6.97)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**1,783.13**	**1,783.13**
Share based payment (Refer Note 49)	-	-	-	-	-	1.00	-	1.00
Final equity dividend paid for the year 2019 (Refer Note 24)	-	-	-	-	-	-	(297.85)	(297.85)
Interim equity dividend paid for the year 2020 (Refer Note 24)	-	-	-	-	-	-	(3,375.60)	(3,375.60)
Balance as at 31st December 2020	**130.71**	**12,471.07**	**5,655.83**	**9.93**	**5.02**	**1.53**	**1,644.64**	**19,918.73**

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
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Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Mumbai : 17th February 2022

CASH FLOW STATEMENT

for the year ended 31st December 2021

Particulars		Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Profit before tax		2,785.25	2,414.38
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation and amortisation expense	44	551.24	521.17
	Exceptional Item	59	65.69	-
	Loss on property, plant and equipment sold, discarded and written off (net)		25.09	21.82
	Dividend income from subsidiary	38	(131.58)	(131.58)
	Dividend income from joint venture	38	(2.75)	(2.50)
	Gain on sale of current financial assets measured at fair value through profit and loss	38	(8.26)	(10.82)
	Net gain on fair valuation of liquid mutual fund measured at fair value through profit and loss	38	(0.10)	(0.31)
	Unwinding of discounting charge on interest free sales tax loan	43	3.34	3.18
	Finance costs	43	87.60	79.87
	Interest income		(113.54)	(219.97)
	Provision for slow and non moving store and spares (net)		23.03	17.38
	Discounting income on interest free loan		-	(3.25)
	Unrealised exchange loss (net)		2.46	7.95
	Fair value movement in derivative instruments		5.92	1.02
	Interest on tax written back		-	(5.77)
	Provisions no longer required written back	37	(11.07)	(6.06)
	Impairment loss/ (Reversal) on trade receivable (net)		2.08	15.21
	Compensation Expenses under Employees Stock Options Scheme	49	3.83	1.00
	Inventories written off		2.40	1.66
	Profit on buy back of shares of joint venture		-	(0.94)
	Other non-cash items		(0.02)	(0.05)
	Operating profit before working capital changes		**3,290.61**	**2,703.39**
	Changes in Working Capital			
	Adjustments for Decrease / (Increase) in operating assets			
	Decrease / (Increase) in Trade receivables, loans & advances and other assets	11-13, 15, 17-20	(98.88)	262.00
	Decrease / (Increase) in Inventories	14	(742.39)	188.42
	Adjustments for (Decrease) / Increase in operating liabilities			
	Increase / (Decrease) in Trade payables, other liabilities and provisions	26-30, 32-36	379.78	(82.79)
	Cash generated from operations		**2,829.12**	**3,071.02**
	Direct taxes paid (net of refunds) (Refer Note (1) below)		(362.86)	(464.84)
	Net cash flow from operating activities (A)		**2,466.26**	**2,606.18**
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)		(1,160.07)	(985.47)
	Proceeds from sale of property, plant and equipment		17.60	7.65
	Proceeds from buyback of shares of joint venture		-	2.24
	Inter corporate deposits and loans given to subsidiaries		(0.01)	(0.15)
	Gain on sale of current financial assets measured at fair value through profit and loss		8.26	10.82
	Investments in bank deposits (having original maturity of more than 3 months and upto 12 months)		(5,457.58)	(8,200.67)
	Redemption of bank deposits (having original maturity of more than 3 months and upto 12 months)		5,483.10	8,189.28
	Investments in bank deposits (having original maturity of more than 12 months)		(10.81)	(27.84)
	Redemption of bank deposits (having original maturity of more than 12 months)		0.98	19.02
	Purchase of non current investment		(4.70)	(4.50)
	Dividend received from subsidiary	38	131.58	131.58
	Dividend received from joint venture	38	2.75	2.50
	Interest received		107.15	214.11
	Net cash used in investing activities (B)		**(881.75)**	**(641.43)**

CASH FLOW STATEMENT
for the year ended 31st December 2021

Particulars	Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from non-current borrowings		-	8.47
Repayment of current maturity of non-current borrowings		-	(5.86)
Repayment of lease liability	52	(27.46)	(26.26)
Interest portion of lease repayment	43	(15.22)	(16.81)
Interest paid		(75.58)	(46.53)
Net movement in earmarked balances with banks		3.54	(8.84)
Dividend paid on equity shares		(202.10)	(3,664.61)
Net cash used in financing activities (C)		**(316.82)**	**(3,760.44)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**1,267.69**	**(1,795.69)**
Cash and cash equivalents			
Cash and cash equivalents at the end of the year	16	3,984.70	2,716.91
Adjustment for fair value (gain) / loss on liquid mutual funds measured through profit and loss	38	(0.10)	(0.31)
		3,984.60	**2,716.60**
Cash and cash equivalents at the beginning of the year	16	2,716.91	4,512.29
Net increase / (decrease) in cash and cash equivalents		**1,267.69**	**(1,795.69)**

Notes:

1) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".

3) Changes in liabilities arising from financing activities :

Particulars	As at 31st December 2020	Cash flow changes		Non-cash flow changes		As at 31st December 2021
		Receipts	Payments	Unwinding charges	Other changes	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Non-current borrowings (Refer note 26)	43.60	-	-	3.34	(3.44)	43.50
Current maturities of non-current borrowings (Refer note 34)	-	-	-	-	3.44	3.44
Total	**43.60**	**-**	**-**	**3.34**	**-**	**46.94**

The accompanying notes are integral part of the Standalone Financial Statements

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number : 040081

Mumbai : 17th February 2022

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

Rajiv Gandhi
Company Secretary

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

Martin Kriegner
Director
DIN - 00077715

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ambuja Cements Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India and its GDRs are listed under the EURO Multilateral Trading Facility (MTF) Platform of Luxembourg Stock Exchange. The registered office of the Company is located at Ambujanagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

The Company's principal activity is to manufacture and market cement and cement related products.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on 17th February 2022.

The financial statements have been prepared on a historical cost basis, except for the following:

A. Certain financial assets and liabilities are measured at fair value (refer note 3 (I) for accounting policy on financial instruments).

B. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

C. Employee defined benefit plans, recognised at the net total of the fair value of plan assets and the present value of the defined benefit obligation.

D. Employee share based payments measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Functional and Presentation Currency

Financial statements are presented in Indian Rupees (₹), which is the functional currency of the Company.

Rounding of amounts

All the values are rounded to the nearest crore as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

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

III. Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

IV. An item of property, plant and equipment and any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognised.

B. Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation is calculated using “Written down value method” for assets related to Captive Power Plant and using “Straight line method” for other assets. Estimated useful lives of the assets are as follows:

Assets	Useful Life
Land (freehold)	No depreciation except on land with mineral reserves. Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
Leasehold mining land	Amortised over the period of lease
Buildings, roads and water works	30 – 60 years
Plant and equipment	10 – 25 years
Assets related to Captive Power Plant	40 years
Railway sidings and locomotives	15 years
Furniture, office equipment and tools	3 – 10 years
Vehicles	8 – 10 years
Ships	25 years

The useful life as estimated above is also in line with the prescribed useful life estimates as specified under Schedule II to the Act.

II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

III. The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost, which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

IV. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

V. Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

VI. Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

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

VIII. Property, plant and equipment, constructed by the Company, but ownership of which vests with the Government / Local authorities:

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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

NOTES TO FINANCIAL STATEMENTS

Stripping Cost

Stripping costs incurred during the mining production phase are allocated between the cost of inventory produced and the existing mine asset.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to limestone, provided all the following conditions are met:

i. it is probable that the future economic benefit associated with the stripping activity will be realised;

ii. the component of the limestone body for which access has been improved can be identified; and

iii. the costs relating to the stripping activity associated with the improved access can be reliably measured.

D. Amortisation of intangible assets

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Water drawing rights	Finite (10-30 years)	Amortised on a straight-line basis over the useful life
Computer software	Finite (upto 5 years)	Amortised on a straight-line basis over the useful life
Mining Rights	Finite (0-90 years)	Over the period of the respective mining agreement

E. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. In cases, where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Company estimates the recoverable amount for the smallest cash generating unit to which the non-financial asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

F. Inventories

Inventories are valued after providing for obsolescence, as follows:

I. Raw materials, stores and spare parts, fuel and packing material:

Valued at 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:

Valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

G. Investment in subsidiaries, associates and joint arrangements

I. Subsidiaries

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any.

II. Associates

Associates are all entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted at cost less impairment, if any.

III. Joint Arrangements

Interests in joint arrangements are interests over which the Company exercises joint control and are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

a. Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. If the interest is classified as a joint operation, the Company recognises its share of the assets, liabilities, revenues and expenses in the joint operation in accordance with the relevant Ind AS.

When the Company transacts with a joint operation in which the Company is a Joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the company's financial statements only to the extent of other parties' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets) the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

b. Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted at cost less impairment, if any.

H. Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

I. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

I. Financial assets

a. The Company's financial assets comprise:

i. Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees, incentives receivable from Government, and non-current deposits.

NOTES TO FINANCIAL STATEMENTS

b. **Initial recognition and measurement of financial assets**

The Company recognises a financial asset when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date that the Company commits to purchase or sell the asset.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c. **Subsequent measurement of financial assets**

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. Financial assets at amortised cost

A Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortised cost category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as financial investments – bonds and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Debt instruments at fair value through other comprehensive income (FVTOCI)

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

Debt instruments

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

Debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument at FVTPL.

Debt instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement are recognised in the statement of profit and loss.

This category comprises investments in liquid mutual funds and derivatives.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the statement of profit and loss.

The Company has designated its investments in equity instruments as FVTPL category.

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

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

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

The Company has not designated investments in any equity instruments as FVTOCI.

d. **Derivative Financial Instruments**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company does not hold derivative financial instruments for speculative purposes.

e. **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

NOTES TO FINANCIAL STATEMENTS

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

f. **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

II. **Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b. Financial liabilities

i. **The Company's financial liabilities comprise:**

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

ii. **Initial recognition and measurement**

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

iii. **Subsequent measurement of financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. **Subsequent measurement of financial liabilities at fair value through profit or loss (FVTPL)**

The Company uses foreign exchange forward contracts as derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative financial instruments such as foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

v. **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO FINANCIAL STATEMENTS

J. Provisions and contingencies

I. Provisions

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amounts recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamation expenses

The Company provides for the expenses to reinstate the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

II. Contingent liability

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

III. Contingent asset

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

K. Foreign exchange gains and losses

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

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

Investments in equity capital of overseas companies registered outside India are carried in the balance sheet at the rates at which transactions have been executed.

L. Revenue recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services.

I. Sale of goods

Revenue from the sale of the Company core product Cement is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

NOTES TO FINANCIAL STATEMENTS

Contract balances

Trade Receivables

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a Company right to consideration that is conditional on something other than the passage of time.

Contract Liabilities

Contract liability is a Company obligation to transfer goods or services to a customer which the entity has already received consideration, relate mainly to advance payment from customers. Contract liabilities are recognised as revenue when the company performs under the contract.

II. Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the services is performed and there are no unfulfilled obligations.

III. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Dividends

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

M. Retirement and other employee benefits

I. Defined contribution plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

II. Defined benefit plan

The Company's gratuity fund scheme and post-employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the balance sheet date.

Employee benefit, in the form of contribution to provident fund managed by a trust set up by the Company, is charged to statement of profit and loss for the year in which the employee renders the related service. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the statement of profit and loss based on actuarial valuation.

Past service costs are recognised in the statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

III. Short term employee benefits

a. Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

NOTES TO FINANCIAL STATEMENTS

b. Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

IV. Other long-term employee benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Accumulated compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

V. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following:

a. when the Company can no longer withdraw the offer of those benefits; and

b. when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

VI. Presentation and disclosure

For the purpose of presentation of defined benefit plans, the allocation between the short term and long term provisions has been made as determined by an actuary. Obligations under other long-term benefits are classified as short-term provision, if the Company does not have an unconditional right to defer the settlement of the obligation beyond 12 months from the reporting date. The Company presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

VII. Employee share-based payments

The Ultimate holding Company of the Group operates various equity-settled performance share plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognised in the Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents movement in the cumulative expenses recognised as at the beginning and end of that period.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within other equity.

N. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

I. The appropriate level of management is committed to a plan to sell the asset,

II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the statement of profit and loss in "Other income".

O. Borrowing Cost

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

P. Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

I. Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

NOTES TO FINANCIAL STATEMENTS

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The Company applies significant judgment in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

Q. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Company has the right to direct the use of the asset

Company as a lessee:

Right-of-use assets

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

Right-of-use assets	Average (Range) lease terms (in years)
Buildings	2 - 30
Leasehold land	5 - 99
Ships and tugs	5 - 13

The Right-of-use assets is also subject to impairment. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Statement of Profit or Loss.

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. For lease arrangement in respect of ships, the non-lease components are not separated from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

i. The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ii. A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ROU asset have been separately presented in the Balance Sheet, whereas lease liability have been included under "other financial liabilities" in Balance Sheet and lease payments have been classified as financing cash flows.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of Right-of-use assets and lease liability and their respective tax bases are recognised separately.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

Company as a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

R. Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Board of Directors of the company has appointed executive committee (ExCo) as CODM. The ExCo assesses the financial performance and position of the Company and makes strategic decisions.

S. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

T. Government grants and subsidies

I. Grants and subsidies from the Government are recognised when the Company will comply with all the conditions attached to them and there is a reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

II. Where the government grants / subsidies relate to revenue, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.

III. Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

IV. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

NOTES TO FINANCIAL STATEMENTS

V. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

U. Earnings per share

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

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

V. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements". Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

W. Exceptional items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed separately in the financial statements.

X. Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

I. Classification of legal matters and tax litigation

The litigations and claims to which the Company is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

II. Defined benefit obligations

The cost of defined benefit gratuity plans and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

III. Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

NOTES TO FINANCIAL STATEMENTS

IV. Leases Ind AS 116

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Y. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st January 2022.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st January 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

(Refer Note 3 (A) and 3 (B) for accounting policy on property, plant and equipment)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (d) below)	
	As at 1st January 2021	Additions	Deductions / Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year (Refer Note (e) below)	Deductions/ Transfers	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Freehold non-mining land	423.05	4.71	-	427.76	-	-	-	-	427.76	423.05
Freehold mining land	793.56	70.66	-	864.22	84.58	41.66	-	126.24	737.98	708.98
Leasehold mining land	201.45	0.19	-	201.64	5.27	2.06	-	7.33	194.31	196.18
Buildings roads and water works (Refer Note (a) below)	1,566.04	175.29	0.61	1,740.72	404.85	73.45	1.85	476.45	1,264.27	1,161.19
Plant and equipment (owned) (Refer Note (b) below)	4,652.78	1,884.31	59.32	6,477.77	1,984.16	340.80	24.73	2,300.23	4,177.54	2,668.62
Furniture and fixtures	25.10	3.76	0.07	28.79	14.08	4.26	1.89	16.45	12.34	11.02
Vehicles	133.56	21.85	15.92	139.49	56.96	17.81	11.49	63.28	76.21	76.60
Office equipment	73.79	13.44	3.47	83.76	58.45	7.97	3.38	63.04	20.72	15.34
Marine structures (Refer Note (c) below)	24.37	-	-	24.37	17.31	3.00	-	20.31	4.06	7.06
Railway sidings and locomotives	48.60	110.77	-	159.37	22.83	5.33	-	28.16	131.21	25.77
Ships	126.54	-	0.02	126.52	37.47	7.17	0.02	44.62	81.90	89.07
Total	**8,068.84**	**2,284.98**	**79.41**	**10,274.41**	**2,685.96**	**503.51**	**43.36**	**3,146.11**	**7,128.30**	**5,382.88**

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (d) below)	
	As at 1st January 2020	Additions	Deductions / Transfers	As at 31st December 2020	As at 1st January 2020	Charge for the year (Refer Note (e) below)	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2020	As at 31st December 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Freehold non-mining land	376.25	46.90	0.10	423.05	-	-	-	-	423.05	376.25
Freehold mining land	771.73	21.83	-	793.56	53.66	30.92	-	84.58	708.98	718.07
Leasehold mining land	201.12	0.33	-	201.45	3.21	2.06	-	5.27	196.18	197.91
Leasehold non-mining land (Refer Note (i) below)	32.47	0.10	32.57	-	1.01	-	1.01	-	-	31.46
Buildings roads and water works (Refer Note (a) below)	1,557.56	10.73	2.25	1,566.04	331.35	74.12	0.62	404.85	1,161.19	1,226.21
Plant and equipment (owned) (Refer Note (b) below)	4,504.72	193.45	45.39	4,652.78	1,667.32	335.51	18.67	1,984.16	2,668.62	2,837.40
Furniture and fixtures	24.47	0.87	0.24	25.10	11.76	2.45	0.13	14.08	11.02	12.71
Vehicles	119.37	17.55	3.36	133.56	43.01	16.43	2.48	56.96	76.60	76.36
Office equipment	70.42	4.22	0.85	73.79	48.93	10.34	0.82	58.45	15.34	21.49
Marine structures (Refer Note (c) below)	24.37	-	-	24.37	14.31	3.00	-	17.31	7.06	10.06
Railway sidings and locomotives	48.59	0.01	-	48.60	19.15	3.68	-	22.83	25.77	29.44
Ships	126.54	-	-	126.54	30.28	7.19	-	37.47	89.07	96.26
Total	**7,857.61**	**295.99**	**84.76**	**8,068.84**	**2,223.99**	**485.70**	**23.73**	**2,685.96**	**5,382.88**	**5,633.62**

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (CONTD.....)

Includes :

a) i) Premises in co-operative societies, on ownership basis of ₹ 84.50 crore (31st December 2020 - ₹ 84.50 crore) and ₹ 9.33 crore (31st December 2020 - ₹ 7.73 crore) being accumulated depreciation thereon.

ii) ₹ 19.92 crore (31st December 2020 - ₹ 19.48 crore) being cost of roads constructed by the Company, the ownership of which vests with goverment/local authorities and ₹ 17.24 crore (31st December 2020 - ₹ 16.87 crore) being accumulated depreciation thereon.

b) ₹ 73.83 crore (31st December 2020 - ₹ 73.47 crore) being cost of power lines incurred by the Company, the ownership of which vests with state electricty boards and ₹ 13.47 crore (31st December 2020 - ₹ 11.17 crore) being accumulated depreciation thereon.

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

d) As per the website of the Ministry of Corporate affairs, certain charges aggregating Nil (31st December 2020 - ₹ 23.42 crore) on properties of the Company are pending for satisfaction due to some procedural issues, although related loan amounts have already been paid in full.

e) Nil (31st December 2020 - ₹ 5.18 crore) depreciation capitalised during construction for projects (Refer Note 8).

f) The title deeds of immovable properties are held in the name of the Company except for 13 cases (31st December 2020 - 13 cases) of freehold land amounting to net block of ₹ 1.30 crore (31st December 2020 - ₹ 1.30 crore) for which title deeds are in the name of the subsidiary and erstwhile Ambuja Cements Rajasthan Limited (merged with the Company).

g) Capital work in progress as at 31st December 2021 is ₹ 951.32 crore (31st December 2020 - ₹ 1,873.74 crore) comprises of various projects and expansions spread over all units.

Major Capital Work-in-Progress are related to following projects:

Project	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Integrated plant at Marwar	337.16	1,392.00
Coal Block	31.64	103.57
Railway Siding	65.86	144.88
Waste Heat Recovery System	268.69	98.42
Flyash Dryer	43.04	-
Others	204.93	134.87
Total	**951.32**	**1,873.74**

There are no projects where activity has been suspended. Refer Note 8 for the amount of expenditure recognised in the carrying amount of an item of Property, Plant and Equipment / Capital work in progress (CWIP) in the course of its construction.

h) For contractual commitment with respect to property, plant and equipment Refer Note 50.

i) Upon implementation of Ind AS 116 - Leases from 1st January 2020, all leasehold non-mining land, identified under the earlier Ind AS 17 amounting ₹ 31.56 crore (net block) have been reclassified as Right-of-use assets. Refer Note 52 A(c).

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - RIGHT-OF-USE ASSETS

(Refer Note 3 (Q) and (X) for accounting policy on leases)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at 1st January 2021	Additions	Deductions / Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year	Deductions/ Transfers	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leasehold land (Refer Note 52(A)(c))	86.79	2.42	-	89.21	3.23	3.65	-	6.88	82.33	83.56
Building and installation	7.79	1.18	0.89	8.08	1.57	1.60	0.26	2.91	5.17	6.22
Ships and tugs	315.64	2.84	1.31	317.17	31.44	31.21	1.24	61.41	255.76	284.20
Total	**410.22**	**6.44**	**2.20**	**414.46**	**36.24**	**36.46**	**1.50**	**71.20**	**343.26**	**373.98**

Particulars	Gross Carrying Value					Accumulated Depreciation					Net Carrying Value
	As at 1st January 2020 (Refer Note (a) below)	Reclassified on account of Ind AS 116 (Refer Note (a) below)	Additions	Deductions / Transfers	As at 31st December 2020	As at 1st January 2020	Reclassified on account of Ind AS 116 (Refer Note (a) below)	Charge for the year	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leasehold land (Refer Note 4(i) and 52(A)(c))	20.28	66.51	-	-	86.79	-	1.01	2.22	-	3.23	83.56
Building and installation	8.51	-	0.35	1.07	7.79	-	-	1.75	0.18	1.57	6.22
Ships and tugs	315.64	-	-	-	315.64	-	-	31.44	-	31.44	284.20
Total	**344.43**	**66.51**	**0.35**	**1.07**	**410.22**	**-**	**1.01**	**35.41**	**0.18**	**36.24**	**373.98**

Note:

a) Refer Note 52 on adoption of Ind AS 116 ''Leases''

NOTE 6 - GOODWILL

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 1st January 2021	Additions	Deductions / Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year	Deductions/ Transfers	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Goodwill (Refer Note (a) below)	235.63	-	-	235.63	235.63	-	-	235.63	-	-
Total	**235.63**	**-**	**-**	**235.63**	**235.63**	**-**	**-**	**235.63**	**-**	**-**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 1st January 2020	Additions	Deductions / Transfers	As at 31st December 2020	As at 1st January 2020	Charge for the year	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2020	As at 31st December 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Goodwill (Refer Note (a) below)	235.63	-	-	235.63	235.63	-	-	235.63	-	-
Total	**235.63**	**-**	**-**	**235.63**	**235.63**	**-**	**-**	**235.63**	**-**	**-**

Note:

a) The Company has adopted Ind AS w.e.f. 1st January 2017. In previous Generally Accepted Accounting Principles (GAAP) the Company was amortising goodwill. Accumulated amortisation is related to previous GAAP.

NOTE 7 - OTHER INTANGIBLE ASSETS

(Refer Note 3 (C) and 3 (D) for accounting policy on intangible assets)

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 1st January 2021	Additions	Deductions / Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year	Deductions/ Transfers	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Mining rights	185.23	12.01	2.42	194.82	11.76	10.96	-	22.72	172.10	173.47
Water drawing rights	0.31	-	-	0.31	0.10	0.02	-	0.12	0.19	0.21
Computer software	1.17	1.19	-	2.36	0.21	0.29	-	0.50	1.86	0.96
Total	**186.71**	**13.20**	**2.42**	**197.49**	**12.07**	**11.27**	**-**	**23.34**	**174.15**	**174.64**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 1st January 2020	Additions	Deductions / Transfers	As at 31st December 2020	As at 1st January 2020	Charge for the year	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2020	As at 31st December 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Mining rights	185.23	-	-	185.23	6.85	5.13	0.22	11.76	173.47	178.38
Water drawing rights	0.31	-	-	0.31	0.08	0.02	-	0.10	0.21	0.23
Computer software	0.34	0.83	-	1.17	0.12	0.09	-	0.21	0.96	0.22
Total	**185.88**	**0.83**	**-**	**186.71**	**7.05**	**5.24**	**0.22**	**12.07**	**174.64**	**178.83**

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - CAPITALISATION OF EXPENDITURE

The Company has capitalised following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised.

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balance at the beginning of the year included in capital work-in-progress	125.96	59.80
Add : Expenditure during construction for projects		
Employee benefits expenses (Refer Note (a) below)	24.56	22.84
Depreciation and amortisation expense (Refer Note 4 (e))	-	5.18
Other expenses (Refer Note (b) below)	105.56	38.14
	256.08	**125.96**
Less : Capitalised during the year (Refer Note (c) below)	256.08	-
Balance at the end of the year included in capital work-in-progress	**-**	**125.96**

Notes:

a) Costs of employee benefits (as defined in Ind AS 19 “Employee Benefits”) of project associated departments are arising directly from the construction or acquisition of the item of property, plant and equipment.

b) Other expense are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) During the year 2021, the Company has started commercial production at its integrated plant at Marwar in Rajasthan with clinker capacity of 3.0 million ton per annum and cement grinding capacity of 1.8 million ton per annum.

NOTE 9 - INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE

(Refer Note 3 (G) for accounting policy on Investment in subsidiaries associates and joint arrangements measured at cost)

Particulars	Face value (in ₹)	As at 31st December 2021		As at 31st December 2020	
		No of shares	₹ in crore	No of shares	₹ in crore
A) Investment in subsidiaries					
Quoted, in fully paid equity shares					
ACC Limited	10	93,984,120	11,737.80	93,984,120	11,737.80
Unquoted, in fully paid equity shares					
M.G.T. Cements Private Limited	10	750,000	3.05	750,000	3.05
Chemical Limes Mundwa Private Limited	10	5,140,000	6.47	5,140,000	6.47
OneIndia BSC Private Limited (Refer Note (c) below)	10	2,501,000	2.50	2,501,000	2.50
Dirk India Private Limited (Refer Note 58)	10	2,075,383	23.03	2,075,383	23.03
			35.05		**35.05**
B) Investment in joint venture					
Unquoted, In fully paid equity shares					
Counto Microfine Products Private Limited (During the previous year 675,677 shares were bought back)	10	7,644,045	14.86	7,644,045	14.86
Total			**11,787.71**		**11,787.71**

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE (CONTD.....)

Notes:

a) Book and Market value

Particulars	Book value as at		Market value as at	
	31st December 2021 ₹ in crore	31st December 2020 ₹ in crore	31st December 2021 ₹ in crore	31st December 2020 ₹ in crore
Aggregate amount of quoted investments	11,737.80	11,737.80	20,840.04	15,210.39
Aggregate amount of unquoted investments	49.91	49.91	-	-
Total	**11,787.71**	**11,787.71**	**20,840.04**	**15,210.39**

b) Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary companies, joint venture company and joint operation are accounted at cost

Name of the Company	Principal activities	Country of Incorporation	% of equity interest	
			As at 31st December 2021	As at 31st December 2020
Direct and Indirect Subsidiaries				
M.G.T Cements Private Limited	Cement and cement related products	India	100.00%	100.00%
Chemical Limes Mundwa Private Limited	Cement and cement related products	India	100.00%	100.00%
Dang Cement Industries Private Limited (Refer Note 21(a))	Cement and cement related products	Nepal	91.63%	91.63%
Dirk India Private Limited (Refer Note 58)	Cement and cement related products	India	100.00%	100.00%
ACC Limited	Cement and cement related products	India	50.05%	50.05%
OneIndia BSC Private Limited (Refer Note (c) below)	Shared Services	India	75.03%	75.03%
Joint Venture				
Counto Microfine Products Private Limited	Cement and cement related products	India	50.00%	50.00%
Joint Operation				
Wardha Vaalley Coal Field Private Limited (Refer Note 63)	Cement and cement related products	India	27.27%	27.27%

c) The Company's investment in equity shares of OneIndia BSC Private Limited (BSC), engaged in business shared services, is ₹ 2.50 crore (31st December 2020 ₹ 2.50 crore). The service agreement with BSC is expired and the same is not renewed. Accordingly, the financial statements of BSC for the year ended 31st December 2021 have not been prepared on a "Going Concern" basis. The Company has assessed that investment in BSC is fully recoverable and no impairment is necessary considering positive net worth of ₹ 13.34 crore and net current assets ₹ 10.59 crore as at 31st December 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - NON-CURRENT INVESTMENTS

Name of the Company	Face value (in ₹)	As at 31st December 2021		As at 31st December 2020	
		No of shares	₹ in crore	No of shares	₹ in crore
A) Investments carried at amortised cost					
Unquoted, in Government and trust securities					
National Savings Certificate ₹ 36,500 (31st December 2020 ₹ 36,500) deposited with government department as security. (Refer Note (b) below)			-		-
			-		**-**
B) Investments carried at fair value through profit and loss (FVTPL)					
Unquoted, In fully paid equity shares					
Gujarat Goldcoin Ceramics Limited (provision made and under liquidation)	10	1,000,000	-	1,000,000	-
Avaada MHBuldhana Private Limited (Refer Note (d) below)	10	787,500	0.79	-	-
Solbridge Energy Private Limited (Refer Note (e) below)	10	3,075,791	3.91	-	-
Amplus Green Power Private Limited (Refer Note (f) below)	10	2,578,592	4.50	2,578,592	4.50
			9.20		**4.50**
Total			**9.20**		**4.50**
Aggregate amount of unquoted investments			9.20		4.50

Notes:

a) Refer Note 55 for information about fair value measurement and Note 56 for credit risk and market risk of investments.

b) Denotes amount less than ₹ 50,000.

c) This company is under liquidation and the Company has fully provided for the investment value.

d) During the year, the Company has subscribed 787,500 equity shares in Avaada MHBuldhana Private Limited (Avaada) representing 0.90% holding for a total consideration of ₹ 0.79 crore. The Avaada has set up a solar power plant in the State of Maharashtra of which the Company's Panvel plant would be one of the consumer.

e) During the year, the Company has subscribed 3,075,791 equity shares in Solbridge Energy Private Limited (Solbridge) representing 7.31% holding for a total consideration of ₹ 3.91 crore. The Solbridge has set up a solar power plant in the State of Chhattisgarh of which the Company's Bhatapara plant would be one of the consumer.

f) During the previous year, the Company has subscribed 2,578,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹ 4.50 crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Dadri plant would be one of the consumer.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 - NON-CURRENT LOANS

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Loans to employees	1.52	0.94
Unsecured loans which have significant increase in credit risk		
Loans to Dirk India Private Limited, a subsidiary (Refer Notes 54 and 58)	37.94	37.94
Loans to Wardha Vaalley Coal Field Private Limited, a Joint Operation	1.10	1.04
	39.04	**38.98**
Less : allowance for doubtful loans	39.04	38.98
	-	-
Total	**1.52**	**0.94**

Notes:

a) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

b) No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

c) Refer Note 56 (B) for information about credit risk.

NOTE 12 - OTHER NON-CURRENT FINANCIAL ASSETS

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Security deposits	66.74	75.41
Incentives receivable under government incentive schemes	212.31	481.97
Bank deposits with more than 12 months maturity (Refer Note (a) below)	52.77	50.80
Interest accrued on fixed deposits	6.97	5.15
Unsecured receivables which have significant increase in credit risk		
Interest receivable from Dirk India Private Limited, a subsidiary (Refer 54 and 58)	9.22	9.22
Less : allowance for doubtful interest receivable	9.22	9.22
	-	-
Total	**338.79**	**613.33**

Notes:

a) These include fixed deposits of ₹ 10.88 crore (31st December 2020 - ₹ 41.84 crore) given as security against bank guarantees and ₹ 0.05 crore (31st December 2020 - ₹ 8.96 crore) given as security to regulatory authorities.

b) Refer Note 56 (B) for information about credit risk of other financial assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - OTHER NON-CURRENT ASSETS

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Capital advances	134.51	256.23
Advances other than capital advances		
Deposit against government dues / liabilities	167.16	167.11
Advances recoverable other than in cash	29.30	48.35
Other claim receivable from Government	214.97	214.97
	545.94	**686.66**
Unsecured, considered doubtful		
Capital advances	4.70	5.83
Advances recoverable other than in cash	0.85	0.89
Other claim receivable from Government	31.84	31.84
	37.39	**38.56**
Less : allowance for doubtful receivables	37.39	38.56
	-	-
Total	**545.94**	**686.66**

Notes:

a) No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 56 (B) for information about credit risk of other receivables.

NOTE 14 - INVENTORIES

At lower of cost and net realisable value
(Refer Note 3 (F) for accounting policy on inventories)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Raw materials (including in transit - ₹ 0.26 crore; 31st December 2020 - ₹ 0.10 crore)	79.80	61.18
Work-in-progress	481.75	203.92
Finished goods	109.00	71.49
Stock in trade (in respect of goods acquired for trading)	2.56	2.18
Captive coal	87.52	19.87
Coal and fuel (including in transit - ₹ 15.44 crore; 31st December 2020 - ₹ 0.25 crore)	476.64	158.00
Stores and spares (including in transit - ₹ 5.06 crore; 31st December 2020 - ₹ 2.92 crore)	189.93	203.68
Packing material	35.49	26.29
Others	0.88	-
Total	**1,463.57**	**746.61**

Notes:

a) The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares for the year ended 31st December 2021 is amounting to ₹ 23.03 crore (31st December 2020 - ₹ 17.38 crore).

b) No inventories have been pledged as security for liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 15 - TRADE RECEIVABLES

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Secured, considered good	56.69	55.72
Unsecured, considered good	236.48	135.79
Unsecured which have significant increase in credit risk	25.87	23.68
	319.04	**215.19**
Less : allowance for doubtful trade receivables	25.87	23.68
Total	**293.17**	**191.51**

Notes:

a) No trade receivables are due from directors or other officers of the company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 54 for receivables from related parties.

c) Refer Note 56 (B) for information about credit risk of trade receivables.

NOTE 16 - CASH AND CASH EQUIVALENTS

(Refer Note 3 (S) for accounting policy on cash and cash equivalents)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balances with banks		
In current accounts	55.78	26.97
Deposit with original maturity upto 3 months	3,453.84	2,415.63
	3,509.62	**2,442.60**
Deposit with other than banks with original maturity of upto 3 months	-	200.00
Investments in liquid mutual funds measured at FVTPL	475.08	74.31
Total	**3,984.70**	**2,716.91**

Note:

a) Refer Note 56 (B) for information about market risk.

NOTE 17 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Other Bank Balances		
Earmarked balances with banks (Refer Note (a) below)	28.75	32.29
Fixed deposit with banks (original maturity more than 3 months but up to 12 months) (Refer Note (b) below)	149.62	175.14
Total	**178.37**	**207.43**

Notes:

a) These balances represent unpaid dividend liabilities of the Company and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile Ambuja Cements Rajasthan Limited (merged with the Company) not available for use by the Company.

b) These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 133.57 crore including interest (31st December 2020 - ₹ 129.37 crore), (Refer Note 48(b)(i)) and other deposits amounting Nil (31st December 2020 - ₹ 25.00 crore) given as security against bank guarantees and ₹ 16.05 crore (31st December 2020 - ₹ 20.77 crore) given as security to regulatory authorities.

NOTES TO FINANCIAL STATEMENTS

NOTE 18 - CURRENT LOANS

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Loans to related parties, Subsidiaries of the Commpany (Refer Note 54)	1.45	1.44
Loans to employees	3.31	2.99
Total	**4.76**	**4.43**

Notes:

a) No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 56 (B) for information about credit risk of loans.

NOTE 19 - OTHER CURRENT FINANCIAL ASSETS

(Refer Note 3 (I) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Incentives receivable under government incentive schemes	148.97	32.58
Interest accrued on loan to subsidiaries (Refer Note 54)	0.38	0.23
Interest accrued on fixed deposits	3.28	3.93
Deposit with banks with original maturity of more than 12 months (Refer Note (a) below)	8.94	1.08
Other receivables	43.32	41.00
	204.89	**78.82**
Unsecured which have significant increase in credit risk		
Other receivables	12.03	12.14
Less : allowance for doubtful other receivable	12.03	12.14
	-	-
Total	**204.89**	**78.82**

Notes:

a) Deposits of ₹ 8.94 crore (31st December 2020 - ₹ 1.08) given as security to regulatory authorities.

b) Refer Note 56 (B) for information about credit risk of other financial assets.

NOTE 20 - OTHER CURRENT ASSETS

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Advances other than capital advances (Refer Note (a) below)		
Advances	225.63	139.54
Balances with statutory / Government authorities	357.48	274.36
Prepaid expenses	30.79	27.67
Others	6.56	18.78
Total	**620.46**	**460.35**

Note:

a) No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

NOTES TO FINANCIAL STATEMENTS

NOTE 21 - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(Refer Note 3 (N) for accounting policy on Non-current assets held for sale)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Investments in Dang Cement Industries Private Limited (Refer Note (a) below)	24.75	24.75
Total	**24.75**	**24.75**

Note:

a) The Company has entered into share purchase agreement for sale of its entire investment in Dang Cement Industries Private Limited, subject to fulfillment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment of such conditions, the said investment has been classified as held for sale.

NOTE 22 - EQUITY SHARE CAPITAL

(Refer Note 3 (I) (II) (a) for accounting policy on equity instruments)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Authorised		
40,000,000,000 (31st December 2020 - 40,000,000,000) Equity shares of ₹ 2 each	8,000.00	8,000.00
150,000,000 (31st December 2020 - 150,000,000) Preference shares of ₹ 10 each	150.00	150.00
Total	**8,150.00**	**8,150.00**
Issued		
1,985,971,749 (31st December 2020 - 1,985,971,749) Equity shares of ₹ 2 each fully paid-up	**397.19**	**397.19**
Subscribed and paid-up		
1,985,645,229 (31st December 2020 - 1,985,645,229) Equity shares of ₹ 2 each fully paid-up	**397.13**	**397.13**

Notes :

a) Reconciliation of equity shares outstanding

Particulars	As at 31st December 2021		As at 31st December 2020	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	1,985,645,229	397.13	1,985,645,229	397.13
Changes during the year	-	-	-	-
At the end of the year	**1,985,645,229**	**397.13**	**1,985,645,229**	**397.13**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

NOTES TO FINANCIAL STATEMENTS

NOTE 22 - EQUITY SHARE CAPITAL (CONTD.....)

c) Equity shares held by holding company / ultimate holding company and / or their subsidiaries

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Holderind Investments Limited, Mauritius Holding company (a subsidiary of Holcim Limited (Erstwhile LafargeHolcim Limited), Switzerland, the ultimate holding company)		
1,253,156,361 (31st December 2020 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up	250.63	250.63

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

Particulars	As at 31st December 2021		As at 31st December 2020	
	No. of shares	% holding	No. of shares	% holding
Holderind Investments Limited, Mauritius	1,253,156,361	63.11%	1,253,156,361	63.11%

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

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into 186,690 (31st December 2020 - 186,690) and 139,830 (31st December 2020 - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company in August 2016, 58,4417,928 equity shares were allotted as fully paid up to the equity shareholders of HIPL, without payment being received in cash.

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

NOTE 23 - CAPITAL MANAGEMENT

a) The Company's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework.

b) The management of the Company reviews the capital structure of the Company on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

c) The Company generally meets its capital requirement through internal accruals. The borrowings as appearing in the Notes 26 and 34 represents Interest Free Loan from State Government considered as Government grant. The Company is not subject to any externally imposed capital requirements.

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Total debt (including current maturities of borrowings) (Refer Notes 26 and 34)	46.94	43.60
Less : Cash and cash equivalents (Refer Note 16)	3,984.70	2,716.91
Net debt	(3,937.76)	(2,673.31)
Total equity (Refer Notes 22 and 25)	22,207.26	20,315.86
Net Debt to Equity	Nil	Nil

NOTES TO FINANCIAL STATEMENTS

NOTE 24 - DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
a)	**Dividend paid on equity shares**		
	i) Final dividend for the year ended 31st December 2020 ₹ 1.00 per share (31st December 2019 - Nil)	198.56	-
	ii) Interim dividend ₹ 1.50 per share (Refer Note (b) below)	-	297.85
	iii) Interim dividend for the year ended 31st December 2020 ₹ 17 per share	-	3,375.60
	Total	**198.56**	**3,673.45**
b)	**Dividend proposed on equity shares**		
	Final dividend for the year ended 31st December 2021 ₹ 6.30 per share (31st December 2020 - ₹ 1.00 per share) (Refer Note (a) below)	1,250.96	198.56
	Total	**1,250.96**	**198.56**

Notes:

a) Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability.

b) Due to COVID-19 pandemic there was a delay in conducting Annual General Meeting and consequent delay in payment of final dividend. The Board of Directors revoked the recommendation for payment of final dividend for the year ended 31st December 2019 and declared an interim dividend for the financial year ended 31st December 2019 at ₹ 1.50 per share in the Board Meeting held on 12th May 2020.

NOTE 25 - OTHER EQUITY

(Refer Statement of Changes in Equity for detailed movement in other equity balances)

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Reserve and surplus (nature and purpose of each reserve is given in notes below)			
a)	Capital reserve	130.71	130.71
b)	Securities premium	12,471.07	12,471.07
c)	General reserve	5,655.83	5,655.83
d)	Capital redemption reserve	9.93	9.93
e)	Subsidies	5.02	5.02
f)	Capital contribution from parent	5.36	1.53
g)	Retained earnings	3,532.21	1,644.64
Total		**21,810.13**	**19,918.73**

Nature and purpose of each reserve within equity:

a) Capital reserve

This reserve has been transferred to the Company in the course of business combinations and can be utilised in accordance with the provisions of the Companies Act, 2013.

b) Securities premium

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

c) General reserve

The Company created general reserve in earlier years pursuant to the provisions of the Companies Act 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act, 2013 the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Company.

NOTES TO FINANCIAL STATEMENTS

NOTE 25 - OTHER EQUITY (CONTD.....)

d) Capital redemption reserve

Capital redemption reserve was created by transferring from retained earnings. During the year ended 30th June 2005, part of the amount was used for issue of bonus shares. The balance will be utilised in accordance with the provisions of the Companies Act, 2013.

e) Subsidies

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

f) Capital contribution from parent

Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by parent company "Holcim Limited" to the employees of the Group. The share based payment reserve is used to recognise the value of equity settled Share based payments provided to executives and senior management.

g) Retained earnings

Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

NOTE 26 - NON-CURRENT BORROWINGS

(Refer Note 3 (I) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Secured		
Interest free loan from State Government (Refer Notes (a) below)	43.50	43.60
Total	**43.50**	**43.60**

Notes:

a) Interest free loan from State Government granted under State investment promotion scheme has been considered as a Government grant. This is secured by bank guarantees (majorly backed by pledge of bank fixed deposits). Each loan repayable in single installment, starting from August 2022 to January 2027 of varying amounts ranging from ₹ 3.59 crore to ₹ 13.39 crore. During the previous year, the Company has paid one of the installment of ₹ 5.86 crore due in February 2020. Next installment is due in August 2022.

NOTE 27 - LEASE LIABILITY

(Refer Note 3 (Q) for accounting policy on leases)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Lease liability (Refer Note 52)	261.15	296.64
Total	**261.15**	**296.64**

NOTE 28 - OTHER NON-CURRENT FINANCIAL LIABILITIES

(Refer Note 3 (I) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Liability for capital expenditure	0.13	0.13
Total	**0.13**	**0.13**

NOTES TO FINANCIAL STATEMENTS

NOTE 29 - NON-CURRENT PROVISIONS

(Refer Note 3 (J) (I) and 3 (M) for accounting policy on provisions and retirement and other employee benefits)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Provision for gratuity and other staff benefit schemes (Refer Note 51)	6.30	8.34
Provision for mines reclamation expenses (Refer Note (a) below)	58.82	47.28
Total	**65.12**	**55.62**

Note:

a) Mines reclamation expenses are incurred on an ongoing basis until the respective mines are not fully restored, in accordance with the requirements of the mining agreement. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses. Movement of provisions during the year is as under

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Opening Balance	47.28	33.68
Add : Provision during the year	9.44	12.42
	56.72	**46.10**
Add : Unwinding of discounting	2.10	1.34
Less : Provision utilised during the year	-	0.16
Closing Balance	**58.82**	**47.28**

NOTE 30 - DEFERRED TAX LIABILITIES (NET)

(Refer Note 3 (P) (II) for accounting policy on deferred tax)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Deferred tax liabilities, on account of		
Depreciation and amortisation	434.11	399.48
Deferred tax assets, on account of		
Provision for employee benefits	22.70	12.84
Provision for slow and non moving spares	18.91	13.11
Expenditure debited in the Statement of Profit and Loss but allowed for tax purposes in the following years	59.85	61.35
Provision against loan and interest thereon receivable from a subsidiary	11.87	11.87
Interest provided under section 244 (A) of Income Tax Act, 1961	99.07	95.17
Others temporary differences	19.92	19.19
	232.32	**213.53**
Deferred tax liabilities / (assets) (net)	**201.79**	**185.95**

NOTES TO FINANCIAL STATEMENTS

NOTE 30 - DEFERRED TAX LIABILITIES (NET) (CONTD.....)

The major components of deferred tax liabilities / assets on account of temporary differences are as follows:

Particulars	As at 1st January 2021	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at 31st December 2021
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	399.48	34.63	-	434.11
Deferred tax assets, on account of				
Provision for employee benefits	12.84	11.78	(1.92)	22.70
Provision for slow and non moving spares	13.11	5.80	-	18.91
Expenditure debited in the Statement of Profit and Loss but allowed for tax purposes in the following years	61.35	(1.50)	-	59.85
Provision against loan and interest thereon receivable from a subsidiary	11.87	-	-	11.87
Interest provided under section 244 (A) of Income Tax Act, 1961	95.17	3.90		99.07
Others temporary differences	19.19	0.73	-	19.92
	213.53	**20.71**	**(1.92)**	**232.32**
Deferred tax liabilities / (assets) (net)	**185.95**	**13.92**	**1.92**	**201.79**

Particulars	As at 1st January 2020	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	427.01	(27.53)	-	399.48
Deferred tax assets, on account of				
Provision for employee benefits	40.05	(29.56)	2.35	12.84
Provision for slow and non moving spares	8.73	4.38	-	13.11
Expenditure debited in the Statement of Profit and Loss but allowed for tax purposes in the following years	54.22	7.13	-	61.35
Provision against loan and interest thereon receivable from a subsidiary	12.21	(0.34)	-	11.87
Interest provided under section 244 (A) of Income Tax Act, 1961	80.50	14.67		95.17
Others temporary differences	15.24	3.95	-	19.19
	210.95	**0.23**	**2.35**	**213.53**
Deferred tax liabilities / (assets) (net)	**216.06**	**(27.76)**	**(2.35)**	**185.95**

Notes:

a) The Company has long term capital losses of ₹ 3.58 crore (31st December 2020 - ₹ 3.58 crore) for which no deferred tax assets have been recognised. These losses will expire between financial year 2021-22 to 2022-23.

b) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 31 - RECONCILIATION OF TAX EXPENSE AND THE PROFIT MULTIPLIED BY INCOME TAX RATE

Particulars	For the year ended 31st December 2021		For the year ended 31st December 2020	
	₹ in crore	In %	₹ in crore	In %
Profit before tax	2,785.25		2,414.38	
Tax expenses at statutory income tax rate (Refer Note (a) below)	701.05	25.17%	607.65	25.17%
Effect of deduction under Section 80M of the Income tax Act, 1961	(33.81)	-1.21%	(32.99)	-1.36%
Effect of non deductible expenses	33.52	1.20%	18.63	0.77%
Others	3.95	0.14%	30.99	1.28%
Tax expenses at the effective income tax rate	**704.71**	**25.30%**	**624.28**	**25.86%**
Tax expense reported in the Statement of Profit and Loss	**704.71**	**25.30%**	**624.28**	**25.86%**

NOTE 32 - OTHER NON-CURRENT LIABILITIES

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Rebate to customers	36.74	40.05
Total	**36.74**	**40.05**

NOTE 33 - TOTAL OUTSTANDING DUES OF MICRO AND SMALL ENTERPRISES

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Details of due to Micro and Small Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers (Refer Note (a) below).		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	7.47	2.41
Interest	0.10	0.05
	7.57	**2.46**
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	25.79	16.35
Interest	0.13	0.08
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	0.03	0.01
d) The amount of interest accrued and remaining unpaid at the end of the year	0.12	0.06
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note:

a) Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTES TO FINANCIAL STATEMENTS

NOTE 34 - OTHER CURRENT FINANCIAL LIABILITIES

(Refer Note 3 (I) (II) (b) for accounting policy on financial liabilities)

₹ in crore

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Financial Liabilities at amortised cost		
Security deposit from dealers	500.34	490.39
Liability for capital expenditure	268.22	167.59
Unpaid dividends (Refer Note (a) below)	26.25	29.79
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACRL	2.50	2.50
Current maturities of borrowings (Refer Note 26)	3.44	-
Others (includes interest on security deposits)	75.23	46.46
Financial Liabilities at fair value		
Foreign currency forward contract	3.26	1.04
Total	**879.24**	**737.77**

Note:

a) Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Company.

NOTE 35 - OTHER CURRENT LIABILITIES

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Contract liability (Refer Note (a) below)		
Advance received from customers	142.15	130.93
Other liability		
Statutory dues payable	627.34	535.17
Rebates to customers	414.37	397.87
Other payables (includes interest on income tax)	856.26	848.00
Total	**2,040.12**	**1,911.97**

Note:

a) The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st December 2021.

NOTE 36 - CURRENT PROVISIONS

(Refer Note 3 (M) for accounting policy on retirement and other employee benefits)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Provision for compensated absences (Refer Note (a) below)	8.92	3.85
Total	**8.92**	**3.85**

Note:

a) Liability towards provision for compensated absences is funded. Above liability is to the extent of unfunded amount.

NOTES TO FINANCIAL STATEMENTS

NOTE 37 - REVENUE FROM OPERATIONS

(Refer Note 3 (L) (I) and (II) for accounting policy on revenue recognition and 3 (T) for accounting policy on government grants and subsidies)

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Revenue from contracts with customers		
Sale of manufactured products	13,232.68	10,896.21
Sale of traded products	560.88	278.76
	13,793.56	**11,174.97**
Other operating revenues		
Provisions no longer required written back	11.07	6.06
Sale of scrap	72.93	50.79
Incentives and subsidies (Refer Note (f) below)	3.19	50.29
Miscellaneous income (includes insurance claims and others) (Refer Note (f) below)	84.20	89.75
	171.39	**196.89**
Total	**13,964.95**	**11,371.86**

Notes:

a) Reconciliation of revenue as per contract price and as recognised in the Statement of Profit and Loss :

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Revenue as per contract price	15,723.26	12,526.70
Less: Discounts and incentives	1,929.70	1,351.73
Revenue as per the Statement of Profit and Loss	**13,793.56**	**11,174.97**

b) The amounts receivable from customers become due after expiry of credit period which on an average is 30 days. There is no significant financing component in any transaction with the customers.

c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

e) Disaggregation of revenue - Refer Note 57 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

f) Government grants recognized in the Statement of Profit and Loss

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Incentives and subsidies (Refer Note (g) below)	3.19	50.29
Discounting income on interest free loan from State Government included in miscellaneous income above.	-	3.25
Total	**3.19**	**53.54**

g) Accrued for the GST refund claim, under various incentive schemes of State and Central Government. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO FINANCIAL STATEMENTS

NOTE 38 - OTHER INCOME

(Refer Note 3 (L) (III) and (IV) for accounting policy on interest income and dividends)

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Interest income on		
Bank deposits at effective interest rate method	106.21	191.58
Income tax refund	-	17.96
Defined benefit obligation (net) (Refer Note 51)	0.15	-
Others	7.33	10.43
	113.69	**219.97**
Dividend income from non-current investment		
From subsidiary	131.58	131.58
From joint venture	2.75	2.50
	134.33	**134.08**
Other non operating income		
Gain on sale of current financial assets measured at FVTPL	8.26	10.82
Net gain on fair valuation of liquid mutual fund measured at FVTPL (Refer Note (a) below)	0.10	0.31
Gain on buy back of non-current investments	-	0.94
Interest on income tax written back and others	29.22	5.77
Others	0.04	0.11
Total	**285.64**	**372.00**

Notes:

a) These instruments are measured at fair value through profit or loss in accordance with Ind AS 109.

b) Refer Note 55 (B) for information about fair value measurement.

NOTE 39 - COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Inventories at the beginning of the year	61.18	55.41
Add : Purchases during the year	1,152.87	880.65
	1,214.05	**936.06**
Less : Inventories at the end of the year	79.80	61.18
Cost of materials consumed (Refer Note (a) and (b) below)	**1,134.25**	**874.88**

Notes:

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
a) Break-up of cost of materials consumed		
Fly ash	529.53	421.73
Gypsum	288.70	204.50
Others (Refer Note (b) below)	316.02	248.65
Total	**1,134.25**	**874.88**

b) Includes no item which in value individually accounts for 10 % or more of the total value of materials consumed.

NOTE 40 - PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Cement	331.54	158.75
Others	49.85	38.56
Total	**381.39**	**197.31**

NOTES TO FINANCIAL STATEMENTS

NOTE 41 - CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Inventories at the end of the year		
Work-in-progress	481.75	203.92
Finished goods	109.00	71.49
Stock in trade	2.56	2.18
Captive coal	87.52	19.87
	680.83	**297.46**
Inventories at the beginning of the year		
Work-in-progress	203.92	274.44
Finished goods	71.49	104.38
Stock in trade	2.18	1.46
Captive coal	19.87	31.26
	297.46	**411.54**
Add: Trial run stocks, at the commencement of commercial production at Marwar plant	27.24	-
	324.70	**411.54**
(Increase) / decrease in inventories	**(356.13)**	**114.08**

NOTE 42 - EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Salaries and wages	580.56	580.65
Contribution to provident and other funds	51.60	49.46
Employee stock option expenses (Refer Note 49)	3.83	1.00
Staff welfare expenses	41.66	37.67
Total	**677.65**	**668.78**

NOTE 43 - FINANCE COSTS

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Interest on :		
Income tax (net of interest income on refund - ₹ 15.50 crore; previous year - ₹ 61.84 crore)	24.78	18.10
Defined benefit obligation (net) (Refer Note 51)	-	0.66
Security deposits	13.48	15.34
Others	32.02	27.62
	70.28	**61.72**
Unwinding of financial liabilities	3.34	3.18
Unwinding of interest on lease liability (Refer Note (a) below)	15.22	16.81
Unwinding of mines reclamation provision (Refer Note 29)	2.10	1.34
Total	**90.94**	**83.05**

Notes:

a) On adoption of Ind AS 116 Leases, the Company has recognised Right-of-use assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

b) Refer Note 55 (B) for information about fair value measurement.

NOTES TO FINANCIAL STATEMENTS

NOTE 44 - DEPRECIATION AND AMORTISATION EXPENSE

(Refer Note 3 (B) and 3 (D) for accounting policy on depreciation and amortisation)

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Depreciation on property plant and equipment (Refer Note 4)	503.51	485.70
Less : Pre-operative charge during the year (Refer Note 8)	-	5.18
	503.51	**480.52**
Depreciation on Right-of-use assets (Refer Note 5)	36.46	35.41
Amortisation of intangible assets (Refer Note 7)	11.27	5.24
Total	**551.24**	**521.17**

NOTE 45 - FREIGHT AND FORWARDING EXPENSE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
On finished products	2,439.96	2,155.69
On Internal material transfer	868.37	699.19
Total	**3,308.33**	**2,854.88**

NOTE 46 - OTHER EXPENSES

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Royalty on minerals	292.60	231.10
Consumption of stores and spare parts	274.28	224.82
Consumption of packing materials	501.02	344.97
Repairs	187.42	148.15
Rent (Refer Note 52)	62.31	57.99
Rates and taxes	108.11	92.02
Insurance	38.00	25.76
Technology and know-how fees	131.25	107.86
Advertisement	89.25	63.93
Corporate Social Responsibility (Refer Note (a) below)	64.02	52.31
Loss on account of exchange rate difference (net)	7.97	9.94
Miscellaneous expenses (Refer Note (b) below)	454.92	425.69
Total	**2,211.15**	**1,784.54**

Notes:

a) Corporate Social Responsibility Expenditure :

i) The Company is required to spend ₹ 36.57 crore (previous year ₹ 30.90 crore) towards Corporate Social Responsibility i.e. 2% of the average profits for the last three financial years, calculated as per Section 198 of the Companies Act, 2013. As approved by the Board of Directors, the Company has spent ₹ 64.41 crore (previous year ₹ 53.97 crore). ₹ 62.53 crore (previous year - ₹ 52.31 crore) is included under head Corporate Social Responsibility in Other Expenses and the balance ₹ 1.87 crore (previous year ₹ 1.66 crore) is included under various other heads of the Statement of Profit and Loss.

ii) No amount has been spent on construction / acquisition of an asset of the Company and the entire amount has been spent in cash.

iii) Details of excess amount spent under Section 135 (5) of the Companies Act, 2013

₹ in crore

Balance excess spent as at 1st January 2021	Amount required to be spent during the year	Amount spent during the year	CSR expenses claimed in the current year	Excess spent
-	36.57	64.41	64.41	27.84

NOTES TO FINANCIAL STATEMENTS

NOTE 46 - OTHER EXPENSES (CONTD.....)

b) Miscellaneous expenses :

i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

ii) Includes expenses towards information technology, traveling, consultancy, site restoration, outsource services and others.

iii) Includes payment to auditors (excluding taxes) as under :

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Statutory auditor		
Audit fees (including for quarterly limited reviews and financial statements for tax filing purposes)	2.06	2.07
Other services	0.07	0.04
Reimbursement of expenses (Refer Note (c) below)	-	0.03
	2.13	**2.14**
Cost auditor		
Audit Fee	0.09	0.10
Reimbursement of expenses	-	0.02
	0.09	**0.12**
Total	**2.22**	**2.26**

c) Denotes amount less than ₹ 50,000.

NOTE 47 - EARNINGS PER SHARE (EPS)

(Refer Note 3 (U) for accounting policy on earnings per share)

a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

c) Calculation of the basic and diluted EPS :

	Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
i)	Profit attributable to equity shareholders of the Company for basic and diluted EPS (₹ in crore)	2,080.54	1,790.10
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	319,824	315,403
iii)	Weighted average number of shares for diluted EPS	**1,985,965,053**	**1,985,960,632**
iv)	Earnings per equity share (in ₹)		
	Face value of equity per share	2.00	2.00
	Basic	10.48	9.02
	Diluted	10.48	9.01

NOTES TO FINANCIAL STATEMENTS

NOTE 48 - CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

(Refer Note 3 (J) (II) for accounting policy on contingent liability)

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Contingent liabilities and claims against the Company not acknowledged as debts related to various matters (Refer Note (a) below)		
Labour	8.87	11.15
Land	18.97	47.28
Demand from Competition Commission of India (Refer Note (b) below)	1,898.06	1,767.74
Sales tax (Refer Note (c) below)	273.21	273.28
Excise customs and service tax (Refer Note (d) below)	258.20	254.85
Stamp duty (Refer Note (e) below)	310.34	305.88
Income tax (Refer Note (f) below)	486.38	488.79
Others	151.69	128.17
Total	**3,405.72**	**3,277.14**

Notes:

a) i) In respect of above matters, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

iii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

b) Demand from Competition Commission of India

i) In 2012, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crore on the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. On Company's appeal, Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August 2016, imposed a penalty of ₹ 1,163.91 crore on the Company. The Company filed an appeal against the said Order before the COMPAT. The COMPAT, vide its interim order dated 21st November 2016 has stayed the penalty with a condition to deposit 10% of the penalty amount, in the form of fixed deposit (the said condition has been complied with) and levy of interest of 12% p.a., in case the appeal is decided against the appellant. Meanwhile, pursuant to the notification issued by Central Government on 26th May 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT).

NCLAT, vide its Order dated 25th July 2018 dismissed the Company's appeal and upheld the CCI's order. Against this, the Company appealed, to the Hon'ble Supreme Court, which by its order dated 5th October 2018 admitted the appeal and directed to continue the interim order passed by the Tribunal, in the meantime.

ii) In a separate matter, pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI by its Order dated 19th January 2017 had imposed a penalty of ₹ 29.84 crore on the Company. On Company's appeal, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company believes it has good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the matter has been disclosed as contingent liability along with interest of ₹ 704.31 crore (31st December 2020 - ₹ 573.99 crore).

NOTES TO FINANCIAL STATEMENTS

NOTE 48 - CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (CONTD.....)

c) Sales tax matter includes

A matter relating to 75% exemption from sales tax, granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company.

In year 2014, pursuant to the unfavourable decision of the Hon'ble Supreme Court in that similar matter, the sales tax department initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case decision of the Hon'ble Supreme Court goes against in this matter.

Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December 2020 - ₹ 247.97 crore, including interest of ₹ 134.45 crore) the Company deposited ₹ 143.52 crore, including interest of ₹ 30.00 crore (31st December 2020 - ₹ 143.52 crore, including interest of ₹ 30.00 crore) towards sales tax under protest and filed a Special Leave Petition in the Hon'ble Supreme Court with one of the grounds that the tax exemption was availed by virtue of the order passed by the Board for Industrial & Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

d) Excise, customs and service tax includes

A matter wherein service tax department issued show cause notices for denial of cenvat credit with regard to service tax paid on outward transportation for sale to customers on Freight On Road (F.O.R.) basis. The Company availed the credit based on legal provision and various judicial precedence. On the same matter of another cement company, the Hon'ble Supreme Court has allowed service tax credit, however, in another case of the same company the Hon'ble Supreme Court has decided against the assessee. Considering conflicting decision and Central Board of Excise and Customs (CBEC) circular, based on legal opinion, the Company has treated the same as "possible". Accordingly, ₹ 198.66 crore (31st December 2020 - ₹ 196.46 crore) has been disclosed as contingent liability.

e) Stamp duty includes

A matter wherein the Collector of Stamps, Delhi vide its Order dated 7th August 2014, directed erstwhile Holcim (India) Private Limited (HIPL), (merged with the Company), to pay stamp duty (including penalty) of ₹ 287.88 crore (31st December 2020 - ₹ 287.88 crore) on the merger order passed by Hon'ble High Court of Delhi, approving the merger of erstwhile Ambuja Cement India Limited with HIPL. HIPL had filed a writ petition and the Hon'ble High Court of Delhi granted an interim stay. Based on the advice of external legal counsel, the Company believes that it has good grounds for success in writ petition. Accordingly, no provision is considered necessary.

f) Income tax includes

The Company was entitled to incentives from Government at its plant located in the states of Himachal Pradesh and Uttarakhand, in respect of Income tax assessment years 2006-07 to 2015-16. The Company contended that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income tax department had, initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). The Company had received one favourable order from the assessing officer and one appellate order from the CIT-A, against which the department filed an appeal in the Income Tax Tribunal (ITAT). Considering unfavourable orders by the Income tax department, the Company up to 31st December 2017, had classified the risk for these matters as probable and provided for the same.

In the year 2018, the CIT-A decided the matter in favour of the Company for two more years, against which the department filed an appeal in the ITAT.

In view of the series of repeated favourable orders by the Income tax department in the previous year, coupled with the fact, that ACC Limited a subsidiary company also received favourable orders, the Company again reviewed the matter and, after considering the legal merits of the Company's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT (A), as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

Pending final legal closure of this matter, income tax amount of ₹ 372.01 crore (31st December 2020 - ₹ 372.01 crore) along with interest payable of ₹ 111.18 crore (31st December 2020 - ₹ 111.18 crore) has been disclosed under contingent liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 49 - SHARE BASED PAYMENT

a) Description of plan - Holcim Performance Share Plan:

Holcim Limited (Erstwhile LafargeHolcim Limited), the Ultimate Holding Company, set up a performance share plan. Performance shares are granted to executives and senior management for their contribution to the continuing success of the business. These shares will be delivered after three year vesting period following the grant date and are subject to internal performance conditions. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC).

b) During the year 8,400 (previous year - 6,000) performance share at fair value of ₹ 4,426 (previous year - ₹ 3,352) per share were granted and ₹ 3.83 crore (previous year – ₹ 1.00 crore) is charged to the Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding credit to the capital contribution from parent under other equity.

c) Information related to the Performance share plan granted is presented below (in number)

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Opening Balance	10,200	6,000
Add : Granted during the year	8,400	6,000
Less : Forfeited during the year	-	1,800
Closing Balance	**18,600**	**10,200**

d) Fair value of shares granted is determined based on the estimated achievement of Holcim Limited's (Erstwhile LafargeHolcim Limited) Earnings per Share, Return on Invested Capital and Sustainability indicators.

NOTE 50 - CAPITAL AND OTHER COMMITMENTS

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	529.21	843.89

Note:

a) For commitments relating to lease arrangements, Refer Note 52.

NOTE 51 - EMPLOYEE BENEFITS

(Refer Note 3 (M) for accounting policy on retirement and other employee benefits)

a) Defined contribution plans

Amount recognised and included in Note 42 "Contribution to Provident and Other Funds" (including contribution to provident fund trust referred in note (g) below) of the Statement of Profit and Loss ₹ 28.21 crore (previous year - ₹ 27.91 crore).

b) Defined benefit plans - as per actuarial valuation

The Company has defined benefit gratuity and provident fund managed by trust. Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary) in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of qualifying insurance policies.

NOTE 51 - EMPLOYEE BENEFITS (CONTD.....)

c) Investment strategy

The gratuity and provident fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The trust has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Board of Gratuity trust and the Company review the level of funding including the asset-liability matching strategy and assessment of the investment risk and accordingly the Company decides its contribution.

i) **Investment risk :** As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

ii) **Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall the defined benefit obligation will tend to increase.

iii) **Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

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

v) **Longevity risk :** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

d) Summary of the components of net benefit / expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in the Balance Sheet for the respective defined benefits plans is as under :

Particulars		2021 Funded ₹ in crore	2020 Funded ₹ in crore
I	**Expense recognised in the Statement of Profit and Loss**		
1	Current service cost	11.61	10.35
2	Interest cost	9.28	8.88
3	Past service cost	-	-
4	Interest (income) on plan assets	(9.66)	(8.73)
5	Amount recognized in the Statement of Profit and Loss	**11.23**	**10.50**
II	**Re-measurements recognised in other comprehensive Income (OCI)**		
1	Demographic change	(0.40)	-
2	Change in financial assumptions	(4.76)	10.31
3	Experience changes	(1.01)	3.44
4	Return on plan assets (excluding interest income)	(1.32)	(2.66)
5	Amount recognised in OCI	**(7.49)**	**11.09**
III	**Net asset / (liability) recognised in the Balance Sheet**		
1	Present value of defined benefit obligation	159.62	157.37
2	Fair value of plan assets	159.34	155.83
3	Funded status [surplus / (deficit)]	(0.28)	(1.54)
4	Net asset / (liability)	(0.28)	(1.54)

NOTES TO FINANCIAL STATEMENTS

NOTE 51 - EMPLOYEE BENEFITS (CONTD.....)

Particulars		2021 Funded ₹ in crore	2020 Funded ₹ in crore
IV	**Change in defined benefit obligation during the year**		
	1 Present value of defined benefit obligation at the beginning of the year	157.37	137.27
	2 Current service cost	11.61	10.35
	3 Interest service cost	9.28	8.88
	4 Actuarial (gains) / losses recognised in other comprehensive income		
	- Demographic changes	(0.40)	-
	- Change in financial assumptions	(4.76)	10.31
	- Experience changes	(1.01)	3.44
	5 Benefit payments	(12.47)	(12.88)
	6 Curtailment	-	-
	7 Net transfer in on account of business combinations / others	-	-
	8 Present value of defined benefit obligation at the end of the year (Refer Note (i) below)	**159.62**	**157.37**
V	**Change in fair value of assets during the year**		
	1 Plan assets at the beginning of the year	155.83	128.32
	2 Interest income	9.66	8.73
	3 Contribution by employer	5.00	29.00
	4 Actual benefit paid	(12.47)	(12.88)
	5 Return on plan assets (excluding interest income)	1.32	2.66
	6 Plan assets at the end of the year	**159.34**	**155.83**
VI	**Weighted average duration of defined benefit obligation**	10 years	10 years
VII	**Maturity profile of defined benefit obligation**		
	1 Within the next 12 months	24.34	17.69
	2 Between 1 and 5 years	70.14	60.67
	3 Between 5 and 10 years	78.47	83.52
VIII	**Sensitivity analysis for significant assumptions (Refer Note (i) & (ii) below)**		
	Present value of defined benefits obligation at the end of the year (for change in 100 basis points)		
	1 For increase in discount rate by 100 basis points	150.85	147.53
	2 For decrease in discount rate by 100 basis points	169.41	168.40
	3 For increase in salary rate by 100 basis points	169.29	168.21
	4 For decrease in salary rate by 100 basis points	150.79	147.51
	5 For increase in medical inflation rate by 100 basis points	NA	NA
	6 For decrease in medical inflation rate by 100 basis points	NA	NA
IX	**The major categories of plan assets as a percentage of total plan**		
	Qualifying insurance policy with Life Insurance Corporation of India (LIC) (Refer Note (v) below)	100%	100%

Particulars		2021 ₹ in crore	2020 ₹ in crore
X	**Expected cash flows**		
1)	**Expected employer contribution in the next year**	24.34	17.69
2)	**Expected benefit payments**		
	Year 1	24.34	17.69
	Year 2	16.13	15.52
	Year 3	17.22	14.47
	Year 4	17.38	14.26
	Year 5	19.41	16.43
	6 to 10 years	78.47	83.51
	Total Expected benefit payments	**172.95**	**161.88**

NOTES TO FINANCIAL STATEMENTS

NOTE 51 - EMPLOYEE BENEFITS (CONTD.....)

Particulars		As at 31st December 2021	As at 31st December 2020
XI	**Actuarial Assumptions**		
1)	**Financial Assumptions**		
	Discount rate (Refer Note (ii) below)	6.75%	6.25%
	Salary escalation (Refer Note (iii) below)	7.00%	7.00%
2)	**Demographic Assumptions**		
	Expected average remaining working lives of employees	9.70	9.92
	Disability rate	5% mortality rates	5% mortality rates
	Expected rate of return on plan assets	6.80%	6.80%
	Retirement age	58 - 60 years	58 - 60 years
	Mortality pre-retirement	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate
	Mortality post-retirement	Not Applicable	Not Applicable
	Turnover rate	5%	Past Service upto 26 years : 5% and above 26 years : 1%

Notes:

i) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the reporting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

ii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

iii) The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Basis used to determine expected rate of return on assets

The Company has considered the current level of returns declared by LIC, i.e. 6.80% to develop the expected long-term return on assets for funded plan of gratuity.

v) In the absence of detailed information regarding plan assets which is funded with LIC the composition of each major category of plan assets the percentage or amount for each category to the fair value of plan assets has not been disclosed.

e) Amount recognised as expense in respect of compensated absences is ₹ 7.12 crore (previous year - ₹ 12.21 crore).

f) The Company expects to make contribution of ₹ 24.34 crore (previous year - ₹ 17.69 crore) to the defined benefit plans during the next year.

g) Provident Fund managed by a trust set up by the Company

Provident Fund for certain eligible employees is managed by the Company through a trust “Ambuja Cements Staff Provident Fund Trust”, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

The minimum interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and shortfall of ₹ 6.02 crore (previous year - ₹ 6.80 crore) is recognised in the Statement of Profit and Loss. The Company has contributed ₹ 5.79 crore (previous year- ₹ 4.55 crore) towards provident fund liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 51 - EMPLOYEE BENEFITS (CONTD.....)

Provident Fund managed by a trust - Defined benefit plans as per actuarial valuation

Particulars			For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
I)	**Components of expense recognised in the Statement of Profit and Loss**			
	1	Current service cost	4.80	4.88
	2	Interest Cost	9.46	13.23
	3	Interest Income	(9.23)	(12.70)
	Total		**5.03**	**5.41**
II)	**Amount recognised in the Balance Sheet**			
	1	Present value of Defined Benefit Obligation	(157.91)	(148.58)
	2	Fair value of plan assets	151.89	141.78
	3	Funded status (Surplus / (Deficit))	(6.02)	(6.80)
	4	Net asset / (liability) as at end of the year (Refer Note (ii) below)	(6.02)	(6.80)
III)	**Present Value of Defined Benefit Obligation**			
	1	Present value of Defined Benefit Obligation at beginning of the year	148.58	153.97
	2	Current service cost	4.80	4.88
	3	Interest cost	9.46	13.23
	4	Benefits paid and transfer out	(11.40)	(24.55)
	5	Employee Contributions	7.39	8.24
	6	Transfer in / (Out) Net	0.69	2.09
	7	Actuarial (gains) / losses	(1.61)	(9.28)
		Present value of Defined Benefit Obligation	**157.91**	**148.58**
IV)	**Fair Value of Plan Assets**			
	1	Plan assets at the beginning of the year	141.78	146.26
	2	Return on plan assets including interest income	9.23	12.70
	3	Contributions by Employer	5.79	4.55
	4	Contributions by Employee	7.39	8.24
	5	Transfer in / (Out) Net	0.69	2.09
	6	Asset Gain / (Loss)	(1.59)	(7.51)
	7	Actual benefits paid	(11.40)	(24.55)
	8	Plan assets at the end of the year	**151.89**	**141.78**
V)	**Amounts recognised in Other Comprehensive Income**			
	1	Actuarial (Gain) / Loss on Liability	(1.61)	(9.28)
	2	Actuarial (Gain) / Loss on Plan assets	1.59	7.51
	Total		**(0.02)**	**(1.77)**
VI)	**Weighted Average duration of Defined Benefit Obligation**		9.30 years	10.08 years
VII)	**The major categories of plan assets as a percentage of total plan**		-	-
	1	Special deposits scheme	11%	12%
	2	Government Securities	61%	67%
	3	Debentures and Bonds	20%	19%
	4	Mutual Fund	8%	2%
			100%	**100%**
VIII)	**The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:**			
	1	Discounting rate	6.75%	6.25%
	2	Guaranteed interest rate	8.50%	8.50%

NOTE 51 - EMPLOYEE BENEFITS (CONTD.....)

IX) Sensitivity analysis for factors mentioned in Actuarial Assumptions (Refer Note (i) below)

Particulars		As at 31 December 2021 ₹ in crore	As at 31 December 2020 ₹ in crore
1	Discount rate (1% increase)	157.37	148.14
2	Discount rate (1% decrease)	158.56	149.09
3	Interest rate guarantee (1% increase)	165.16	155.57
4	Interest rate guarantee (1% decrease)	154.13	145.33

Notes:

i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

ii) In respect of Provident Fund, only liability and not surplus is recognised in the Balance Sheet.

iii) The Company expects to contribute ₹ 4.50 crore (previous year - ₹ 5.00 crore) to the trust managed Provident Fund in next year.

NOTE 52 - LEASES

(Refer Note 3 (Q) and (X) for accounting policy on leases)

A) Transition Disclosure for Indian Accounting Standard (Ind AS) 116 - "Leases"

The Company has adopted Ind AS 116 effective 1st January 2020, using the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, are recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted with the incremental borrowing rate as of that date. Furthermore, the Company has chosen the option whereby the right-of-use asset is equal to the lease liability at the initial application of Ind AS 116.

The following is the summary of practical expedients elected on initial application:

i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

ii) Excluded the initial direct costs from the measurement of the Right-of-use assets (ROU) at the date of initial application.

iii) The Company has relied on its previous assessment on whether leases are onerous. There were no onerous contracts as at 1st January 2020

iv) The Company has not re-assessed whether a contract is or contains a lease at the date of initial application. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

v) For lease arrangement in respect of ships, the Company has not separated non-lease components from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.

a) Reconciliation of undiscounted operating lease commitments as of 31st December 2019 to the recognised lease liability as of 1st January 2020.

Particulars	₹ in crore
Operating lease commitments as of 31st December 2019	241.74
Non lease component for ships	201.84
Exemption of commitments for short-term leases	(9.84)
Exemption of commitments for leases of low value assets	(0.28)
Undiscounted future lease payments from operating leases	**433.46**
Effect of discounting	(89.03)
Total lease liability recognised as of 1st January 2020	**344.43**

NOTES TO FINANCIAL STATEMENTS

NOTE 52 - LEASES (CONTD.....)

b) The above approach has resulted in recognition of below category wise right to use assets

Particulars	As at 1st January 2020 ₹ in crore
Leasehold land	20.28
Building and installation	8.51
Ships and tugs	315.64
Total	**344.43**

c) The effect of implementing Standard in the Statement of Profit and Loss is as under

Particulars	For the year ended 31st December, 2020 ₹ in crore
Decrease in expenses	
Freight and forwarding expense	37.57
Rent expenses (included in other expenses)	3.90
	41.47
Increase in expenses	
Depreciation and amortisation expense	35.04
Finance costs	16.81
Foreign exchange (gain)/loss (included in other expenses)	6.93
	58.78

d) The Company has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land. These arrangements do not involve any material recurring payments.The Company has reclassified these assets from Property, Plant and Equipment and other non-current assets to Right-of-use assets pursuant to adoption of Ind AS 116.

Particulars	As at 1st January 2020		
	Gross carrying Value	Accumulated Depreciation	Net carrying value
Property, Plant and Equipment	32.57	1.01	31.56
Other non-current Assets	33.94	-	33.94
Total	**66.51**	**1.01**	**65.50**

e) The operating cash outflow for the year ended 31st December 2021 has increased by ₹ 42.68 crores (previous year - ₹ 43.07 crore), the financing cashflows have decreased by ₹ 42.68 crore (previous year - ₹ 43.07 crore) as repayment of lease liability and interest portion of lease payment.There is no commitment for leases not yet commenced as at 31st December 2021.

	WARM for lease contracts in	
	₹	USD
0 to 2 years	8.35%	4.53%
3 to 4 years	8.35%	4.53%
5 to 6 years	8.44%	4.61.%
7 to 8 years	8.66%	4.84%
> 8 years	8.66%	4.84%

B) Disclosure as per Ind AS 116:

a) **Company as lessee**

The Company's lease asset classes primarily consist of leases for godowns, flats, land, Plant and Equipment, office premises and other premises. There are no restrictions imposed by lease arrangements. There are no subleases.

b) The Company has a ship on lease arrangement with the Contract currency in USD, hence the lease payment is calculated in USD.

NOTE 52 - LEASES (CONTD.....)

c) The operating cash outflow for the year ended 31st December 2021 has increased by ₹ 42.68 crore (previous year - ₹ 43.07 crore), the financing cashflows have decreased by ₹ 42.68 crore (previous year - ₹ 43.07 crore) as repayment of lease liability and interest portion of lease payment.There is no commitment for leases not yet commenced as at 31st December 2021.

d) **The movement in lease liabilities is as follows :**

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Opening Balance	324.52	344.43
Additions during the year	4.02	0.35
Finance cost accrued during the period	15.22	16.81
Lease Modification	(0.11)	(0.18)
Payment of lease liabilities	(42.68)	(43.07)
Unrealised loss	3.71	6.93
Termination of lease contracts	(0.63)	(0.75)
Closing Balance	**304.05**	**324.52**
Current	42.90	27.88
Non-current	261.15	296.64
Total	**304.05**	**324.52**

e) **Lease Expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:**

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Expense relating to short-term leases and low-value assets	62.31	57.99
Total	**62.31**	**57.99**

f) The maturity analysis of lease liabilities are disclosed in Note 56 (C) - Liquidity risk

NOTE 53 - DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 AND SECTION 186 (4) OF THE COMPANIES ACT 2013 :

Particulars		As at 31st December 2021		As at 31st December 2020	
		Outstanding balance	Maximum balance outstanding during the year	Outstanding balance	Maximum balance outstanding during the year
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
Unsecured loans to wholly owned subsidiaries :					
a)	Dirk India Private Limited	37.94	37.94	37.94	37.94
	For working capital requirement carrying interest @ 12% p.a. (Provision against loans and interest receivable thereon has been made)				
b)	Chemical Limes Mundwa Private Limited	1.43	1.43	1.43	1.43
	For working capital requirement. Repayment on call basis and carrying interest rate in the range of @ 9% p.a. to 12% p.a				
c)	M.G.T Cements Private limited	0.02	0.02	0.01	0.01
	(For working capital requirement. Repayment on call basis and carrying interest rate in the range of @ 9% p.a. to 10.55% p.a.)				

Notes:

i) None of the loanees have made investment in the shares of the Company.
ii) Details of investments made is given in Note 9.
iii) Outstanding loans as disclosed above does not include interest accrued thereon.

NOTES TO FINANCIAL STATEMENTS

NOTE 54 - RELATED PARTY DISCLOSURE

I) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
1	Holcim Limited (Erstwhile LafargeHolcim Limited), Switzerland	Ultimate Holding Company
2	Holderfin B.V, Netherlands	Intermediate Holding Company
3	Holderind Investments Limited, Mauritius	Holding Company
4	ACC Limited	Subsidiary
5	M.G.T. Cements Private Limited	Subsidiary
6	Chemical Limes Mundwa Private Limited	Subsidiary
7	Dang Cement Industries Private Limited, Nepal	Subsidiary
8	Dirk India Private Limited	Subsidiary
9	OneIndia BSC Private Limited	Subsidiary
10	Wardha Vaalley Coal Field Private Limited	Joint Operation (Refer Note 63)
11	ACC Mineral Resources Limited	Subsidiary of ACC Limited
12	Lucky Minmat Limited	Subsidiary of ACC Limited
13	National Limestone Company Private Limited	Subsidiary of ACC Limited (Ceased to be a subsidiary w.e.f. 18th November 2020)
14	Singhania Minerals Private Limited	Subsidiary of ACC Limited
15	Bulk Cement Corporation (India) Limited	Subsidiary of ACC Limited

B) Others, with whom transactions have taken place during the current year and /or previous year

i) Related parties

Sr	Name	Nature of Relationship
1	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
2	Holcim Technology Limited, Switzerland	Fellow Subsidiary
3	Holcim Services (South Asia) Limited	Fellow Subsidiary
4	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
5	Lafarge Africa PLC, Nigeria	Fellow Subsidiary
6	Lafarge Holcim Global Hub Services Private Limited	Fellow Subsidiary
7	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
8	Lafarge Umiam Mining Private Limited	Fellow Subsidiary
9	Holcim (Australia) Pty Ltd, Australia	Fellow Subsidiary
10	Lafargeholcim Investment Co Ltd, China	Fellow Subsidiary
11	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	Fellow Subsidiary
12	Lafarge Zementwerke GMBH	Fellow Subsidiary
13	Counto Microfine Products Private Limited	Joint Venture
14	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
15	Ambuja Cements Limited Employees Gratuity Fund Trust	Trust (Post-employment benefit plan)
16	Ambuja Cement Foundation	Trust (Corporate Social Responsibility Trust)
17	Ambuja Vidya Niketan Trust	Trust (Corporate Social Responsibility Trust)
18	Ambuja Hospital Trust	Trust (Corporate Social Responsibility Trust)

NOTES TO FINANCIAL STATEMENTS

NOTE 54 - RELATED PARTY DISCLOSURE (CONTD.....)

ii) Key Management Personnel (KMP)

In accordance with Ind AS 24 - Related Party Disclosures and the Companies Act, 2013, following personnels are considered as KMP.

Sr	Name	Nature of Relationship
1	Mr. N.S. Sekhsaria	Principal Founder, Non Executive Chairman, Non Independent Director
2	Mr. Jan Jenisch	Vice Chairman, Non Executive, Non Independent Director
3	Mr. Martin Kriegner	Non Executive, Non Independent Director
4	Mr. Christof Hassig	Non Executive, Non Independent Director
5	Mr. Roland Kohler	Non Executive, Non Independent Director (upto 10th December 2020)
6	Mr Ramanathan Muthu	Non Executive, Non Independent Director (with effect from 23rd December 2020)
7	Ms. Then Hwee Tan	Non Executive, Non Independent Director
8	Mr. Ranjit Shahani	Non Executive, Non Independent Director
9	Mr. Praveen Kumar Molri	Non Executive, Non Independent Director
10	Mr. Mahendra Kumar Sharma	Non Executive, Non Independent Director
11	Ms. Shikha Sharma	Non Executive, Independent Director
12	Mr. Nasser Munjee	Non Executive, Independent Director
13	Mr. Rajendra P. Chitale	Non Executive, Independent Director
14	Mr. Shailesh Haribhakti	Non Executive, Independent Director
15	Dr. Omkar Goswami	Non Executive, Independent Director
16	Mr. Bimlendra Jha	Managing Director & Chief Executive Officer (Upto 20th February 2020)
17	Mr. Neeraj Akhoury	Managing Director & Chief Executive Officer (with effect from 21st February 2020)
18	Ms. Sonal Shrivastava	Chief Financial Officer (Upto 31st August 2020)
19	Ms. Rajani Kesari	Chief Financial Officer (with effect from 1st September 2020)
20	Mr. Rajiv Gandhi	Company Secretary

II) Transactions with related party

	Particulars	For the period ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
A)	**Transactions with subsidiaries**		
1	**Purchase of goods**		
	Dirk India Private Limited	-	0.09
	ACC Limited	479.34	221.10
		479.34	**221.19**
2	**Purchase of Asset**		
	ACC Limited	0.73	-
		0.73	**-**
3	**Sale of Asset**		
	ACC Limited	17.42	-
		17.42	**-**
4	**Sale of goods**		
	ACC Limited	888.21	517.21
		888.21	**517.21**
5	**Rendering of services**		
	ACC Limited	33.06	33.80
		33.06	**33.80**
6	**Interest income**		
	Dirk India Private Limited	4.55	4.56
	Chemical Limes Mundwa Private Limited	0.16	0.15
		4.71	**4.71**

NOTES TO FINANCIAL STATEMENTS

NOTE 54 - RELATED PARTY DISCLOSURE (CONTD.....)

Particulars		For the period ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
7	**Receiving of services**		
	Dirk India Private Limited	11.51	13.62
	ACC Limited	47.84	43.91
	OneIndia BSC Private Limited	-	14.76
		59.35	**72.29**
8	**Dividend Received**		
	ACC Limited	131.58	131.58
		131.58	**131.58**
9	**Other recoveries**		
	ACC Limited	23.20	7.33
		23.20	**7.33**
10	**Other payments**		
	ACC Limited	22.72	8.70
	OneIndia BSC Private Limited	-	0.71
		22.72	**9.41**
11	**Inter corporate deposits and loans**		
	Chemical Limes Mundwa Private Limited	-	0.15
	M.G.T. Cements Private Limited	0.01	-
		0.01	**0.15**

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
B)	**Outstanding balances with subsidiary Companies**		
1	**Loans / inter corporate deposits given outstanding**		
	Unsecured, Considered good		
	Chemical Limes Mundwa Private Limited	1.43	1.43
	M.G.T. Cements Private Limited	0.02	0.01
	Unsecured, where significant increase in credit risk (provision made)		
	Dirk India Private Limited	37.94	37.94
		39.39	**39.38**
2	**Amount receivable**		
	Unsecured, considered good		
	Chemical Limes Mundwa Private Limited	0.38	0.23
	ACC Limited	100.09	68.90
	Unsecured, where significant increase in credit risk (interest on loans), (provision made)		
	Dirk India Private Limited	9.22	9.22
		109.69	**78.35**
3	**Amount payable**		
	Dirk India Private Limited	0.86	3.34
	ACC Limited	37.90	21.84
	OneIndia BSC Private Limited	-	1.83
		38.76	**27.01**

NOTES TO FINANCIAL STATEMENTS

NOTE 54 - RELATED PARTY DISCLOSURE (CONTD.....)

	Particulars	For the period ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
C)	**Transactions with fellow subsidiaries during the year**		
1	**Purchase of goods**		
	LafargeHolcim Energy Solutions S.A.S., France	-	225.54
	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	199.03	-
		199.03	**225.54**
2	**Sale of Fixed Assets**		
	Holcim Services (South Asia) Limited	-	0.01
		-	**0.01**
3	**Receiving of services**		
	Holcim Group Services Limited, Switzerland	0.17	0.16
	Holcim Technology Limited, Switzerland	131.25	107.86
	Lafargeholcim Investment Co Ltd, China	0.16	-
	Holcim Services (South Asia) Limited	39.52	47.04
	Lafarge Holcim Global Hub Services Private Limited	22.42	9.69
	Lafarge Zementwerke GMBH	0.29	-
		193.81	**164.75**
4	**Rendering of services**		
	Holcim Services (South Asia) Limited	7.47	2.41
		7.47	**2.41**
5	**Other recoveries**		
	LafargeHolcim Energy Solutions S.A.S., France	0.44	0.58
	Holcim Technology Limited, Switzerland	2.44	1.15
	Lafarge Africa PLC, Nigeria	-	0.01
	Holcim Philippines, Inc., Philippines	-	0.14
	Lafarge Umiam Mining Private Limited	-	0.17
	Holcim (Australia) Pty Ltd, Australia	-	0.08
		2.88	**2.13**
6	**Other payments**		
	LafargeHolcim Energy Solutions S.A.S., France	0.85	3.21
	Holcim Technology Limited, Switzerland	0.08	0.86
		0.93	**4.07**

NOTES TO FINANCIAL STATEMENTS

NOTE 54 - RELATED PARTY DISCLOSURE (CONTD.....)

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
D)	**Outstanding balances with fellow subsidiary Companies**		
1	**Amount payable**		
	Holcim Technology Limited, Switzerland	30.28	24.36
	Holcim Services (South Asia) Limited	1.98	5.13
	Lafarge Holcim Global Hub Services Private Limited	1.75	-
	LafargeHolcim Energy Solutions S.A.S., France	-	2.23
	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	7.76	-
		41.77	**31.72**
2	**Amount receivable**		
	Holcim Services (South Asia) Limited	3.29	2.42
		3.29	**2.42**

Particulars		For the period ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
E)	**Transactions with holding company during the year**		
1	**Dividend paid**		
	Holderind Investments Limited, Mauritius	125.32	2,318.34
		125.32	**2,318.34**

Particulars		For the period ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
F)	**Transactions with joint ventures during the year**		
1	**Rendering of services**		
	Counto Microfine Products Private Limited	3.62	3.53
		3.62	**3.53**
2	**Sale of Goods**		
	Counto Microfine Products Private Limited	0.02	-
		0.02	**-**
3	**Dividend Received**		
	Counto Microfine Products Private Limited	2.75	2.50
		2.75	**2.50**
4	**Buy back of shares**		
	Counto Microfine Products Private Limited	-	2.25
		-	**2.25**

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
G)	**Outstanding balances with joint ventures**		
1	**Amount receivable**		
	Counto Microfine Products Private Limited	0.76	-
		0.76	**-**

NOTES TO FINANCIAL STATEMENTS

NOTE 54 - RELATED PARTY DISCLOSURE (CONTD.....)

	Particulars	For the period ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
H)	**Transactions with Key Management Personnel**		
1	**Remuneration (Refer Note (a) and (b) below)**		
	Mr. Neeraj Akhoury	11.54	6.17
	Mr. Bimlendra Jha	-	11.42
	Ms. Sonal Shrivastava	-	1.94
	Ms. Rajani Kesari	6.15	1.18
	Mr. Rajiv Gandhi	1.41	1.24
		19.10	**21.95**
2	**Break-up of remuneration**		
	Short term employment benefit	18.18	21.20
	Post employment benefits	0.52	0.44
	Other long term benefits	0.12	0.16
	Employee share based payments (Refer Note 49)	0.28	0.15
		19.10	**21.95**
3	**Commission, sitting fees and advisory fee**		
	Mr. N.S. Sekhsaria	0.54	0.56
	Mr. Martin Kriegner (Refer Note (g) below)	-	-
	Mr. Christof Hassig	0.23	0.26
	Mr. Nasser Munjee	0.45	0.47
	Mr. Rajendra P. Chitale	0.55	0.57
	Mr. Shailesh Haribhakti	0.42	0.47
	Dr. Omkar Goswami	0.45	0.44
	Mr. Jan Jenisch	0.23	0.23
	Mr. Roland Kohler	-	0.24
	Ms. Then Hwee Tan	0.40	0.42
	Mr. Mahendra Kumar Sharma	0.38	0.26
	Ms. Shikha Sharma	0.41	0.44
	Mr. Ranjit Shahani	0.25	0.26
	Mr. Praveen Kumar Molri	0.23	0.25
	Mr. Ramanathan Muthu	0.23	0.01
		4.77	**4.88**
		23.87	**26.83**

Notes:

a) Does not include provision towards gratuity and leave encashment which is provided based on actuarial valuation on an overall Company basis.

b) Remuneration includes performance incentive paid in respective year which is related to the performance of preceding year except to the extent of performance incentive to Mr. Neeraj Akhoury, MD and CEO being paid every six months as per agreement.

c) Contribution to Ambuja Cements Limited Staff Provident Fund Trust :

The Company is required to contribute a specified percentage of the employee compensation for eligible employees towards provident fund. The Company makes monthly contribution to a trust specified for this purpose. During the year ended 31st December 2021, the Company has contributed ₹ 5.79 crore (previous year - ₹ 4.55 crore).

d) Contribution to Ambuja Cements Limited Employees Gratuity Fund Trust :

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year ended 31st December 2021, the Company has contributed ₹ 5.00 crore (previous year - ₹ 29 crore).

e) During the year the Company has contributed ₹ 47.70 crore (previous year - ₹ 39.00 crore) to Ambuja Cement Foundation, ₹ 5.98 crore (previous year - ₹ 5.92 crore) to Ambuja Vidya Niketan Trust, ₹ 3.70 crore (previous year - ₹ 4.60 crore) to Ambuja Hospital Trust towards Corporate social responsibility obligations

f) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for trade receivables from related parties (previous year - Nil).

g) Mr. Martin Kriegner has waived his right to receive Directors' commission and sitting fees.

h) Transaction with related parties disclosed are inclusive of applicable taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 55 - FINANCIAL INSTRUMENTS

(Refer Note 3 (H) for accounting policy on fair value measurement)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A) Classification of financial assets and liabilities

Particulars	Notes	As at 31st December 2021		As at 31st December 2020	
		Carrying value ₹ in crore	Fair value ₹ in crore	Carrying value ₹ in crore	Fair value ₹ in crore
Financial assets					
a) Measured at amortised cost					
Cash and cash equivalents	16	3,509.62	3,509.62	2,642.60	2,642.60
Bank balances other than cash and cash equivalents	17	178.37	178.37	207.43	207.43
Trade Receivables	15	293.17	293.17	191.51	191.51
Loans	11, 18	6.28	6.28	5.37	5.37
Other financial assets	12, 19	543.68	543.68	692.15	692.15
		4,531.12	**4,531.12**	**3,739.06**	**3,739.06**
b) Measured at fair value through profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	475.08	475.08	74.31	74.31
Investment in unquoted equity instruments	10	9.20	9.20	4.50	4.50
		484.28	**484.28**	**78.81**	**78.81**
Total (a+b)		**5,015.40**	**5,015.40**	**3,817.87**	**3,817.87**
Financial liabilities					
a) Measured at amortised cost					
Trade payables		1,144.40	1,144.40	880.90	880.90
Lease liabilities		304.05	304.05	324.52	324.52
Other financial liabilities	28, 34	872.67	872.67	736.86	736.86
Interest free loan from State Government	26	46.94	46.94	43.60	43.60
		2,368.06	**2,368.06**	**1,985.88**	**1,985.88**
b) Measured at fair value through profit and loss (FVTPL)					
Foreign currency forward contract	34	3.26	3.26	1.04	1.04
Total (a+b)		**2,371.32**	**2,371.32**	**1,986.92**	**1,986.92**

NOTES TO FINANCIAL STATEMENTS

NOTE 55 - FINANCIAL INSTRUMENTS (CONTD.....)

B) Income and Expenses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

Particulars	Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Income on Financial Instruments			
Financial assets measured at amortised cost			
Interest income	38	113.54	202.01
Impairment losses on trade receivables (including reversals of impairment losses)		2.19	13.78
Financial assets measured at fair value through profit or loss			
Gain on sale of current financial assets	38	8.26	10.82
Net gain on fair valuation of liquid mutual fund	38	0.10	0.31
Total		**124.09**	**226.92**
Expenses on Financial Instruments			
Financial liabilities measured at amortised cost			
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	46	2.05	8.92
Interest expenses on deposits from dealers	43	13.48	15.34
Interest expense on lease liability	43	15.22	16.81
Financial liabilities measured at fair value through profit or loss			
Net Loss on foreign currency forward contract	46	5.92	1.02
Total		**36.67**	**42.09**
Net Income recognised in the Statement of Profit and Loss		**87.42**	**184.83**

C) Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

a) **Level 1**

This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) **Level 2**

This level includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) **Level 3**

This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES TO FINANCIAL STATEMENTS

NOTE 55 - FINANCIAL INSTRUMENTS (CONTD.....)

D) For assets and liabilities which are measured at fair value the classification of fair value calculations by category is summarised below

Particulars	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore	Level	Valuation techniques and key inputs
Financial assets					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	475.08	74.31	1	Investment in liquid and short term mutual funds which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.
Investment in unquoted equity instruments (other than subsidiaries and joint ventures)	10	9.20	4.50	3	Using discounted cash flow method.
Financial liabilities					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	3.26	1.04	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

Note:

a) There was no transfer between level 1 and level 2 fair value measurement.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

In the Company's opinion the carrying amount of loans, other financial assets, trade receivables, cash and cash equivalents excluding investments in liquid mutual funds, bank balances other than cash and cash equivalents, other financial liabilities (excluding derivative financial instruments) and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

NOTE 56 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has a system-based approach to risk management, established policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks such as market risk, credit risk and liquidity risk that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

NOTES TO FINANCIAL STATEMENTS

NOTE 56 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

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) commodity price risk b) currency risk and c) interest rate risk. Financial instruments affected by market risk comprise deposits, investments, trade payables.

The Company is not an investor in equity market. The Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and liquid mutual funds (debt market). Mark to market movements in respect of the Company's investments are valued through the Statement of Profit and Loss. Fixed deposits are held with highly rated banks, have a short tenure and are not subject to interest rate volatility.

Assumption made in calculating the sensitivity analysis

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

a) Commodity risk

Commodity price risk for the Company is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Company. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to a drop in operating margin. To manage this risk, the Company take following steps:

i) Optimizing the fuel mix, pursue longer term and fixed contracts where considered necessary.

ii) Consistent efforts to reduce the cost of power and fuel by using both domestic and international coal and petcoke.

iii) Use of alternative Fuel and Raw Materials (AFR) and enhancing the utilisation of renewable power including its onsite and offsite solar, wind, hydro power and Waste Heat Recovery System (WHRS).

Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirements are monitored by the central procurement team.

NOTES TO FINANCIAL STATEMENTS

NOTE 56 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

b) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company is not exposed to significant foreign currency risk. Based on sensitivity analysis, the Company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

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

Particulars	As at 31st December 2021		As at 31st December 2020	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other financial liabilities (Unhedged)				
CHF	0.22	-	0.08	-
EURO	4.86	0.06	1.55	0.02
GBP	-	-	0.05	-
JPY	1.19	1.78	0.20	0.28
SEK	0.44	0.05	0.34	0.04
SGD	-	-	0.01	-
USD	130.77	1.82	148.28	2.04
Total	**137.48**		**150.51**	
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports and services (Refer Note (i) below)	216.46	2.85	167.71	2.26

Note :

i) This does not include the firm commitment

Foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

Particulars	As at 31st December 2021		As at 31st December 2020	
	1 % strengthening of ₹ ₹ in crore	1 % weakening of ₹ ₹ in crore	1 % strengthening of ₹ ₹ in crore	1 % weakening of ₹ ₹ in crore
Trade payable and other financial liabilities (Unhedged)				
CHF	0.01	(0.01)	-	-
EURO	0.05	(0.05)	0.01	(0.01)
GBP	-	-	-	-
JPY	0.01	(0.01)	-	-
SEK	0.01	(0.01)	-	-
SGD	-	-	-	-
USD	1.31	(1.31)	1.48	(1.48)
Increase / (Decrease) in profit	**1.39**	**(1.39)**	**1.49**	**(1.49)**

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 56 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

c) **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	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Interest bearing			
Security deposit from dealers	34	500.34	490.39
Non-interest bearing			
Current maturities of non-current borrowings	34	3.44	-
Interest free loan from State Government	26	43.50	43.60
Total		**547.28**	**533.99**
Interest rate sensitivities for unhedged exposure (Refer Note (i) below)			
Security deposit from dealers			
Impact of increase in 100 bps would decrease profit by		5.00	4.90
Impact of decrease in 100 bps would increase profit by		(5.00)	(4.90)

Note :

i) Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Trade receivables	15	25.87	23.68
Financial assets other than trade receivables			
Loans to subsidiary	11	37.94	37.94
Loans to joint operation	11	1.10	1.04
Interest receivable from subsidiary	12	9.22	9.22
Other receivable	19	12.03	12.14
		60.29	**60.34**
Total		**86.16**	**84.02**

Trade receivables

Trade receivables consist of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. The exposure in credit risk arising out of major customers is generally backed either by bank guarantee, letter of credit or security deposits.

The Company's exposure and wherever appropriate the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

The Company does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales.

NOTES TO FINANCIAL STATEMENTS

NOTE 56 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

Ageing of trade receivables (Refer Note 15) :

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Up to 6 months	288.95	183.26
More than 6 months	30.09	31.93
Total	**319.04**	**215.19**
Impaired	(25.87)	(23.68)
Total	**293.17**	**191.51**

Financial assets other than trade receivables

The exposure to the Company arising out of this category consists of balances with banks investments in liquid mutual funds (debt markets), incentives receivables from government and loans which do not pose any material credit risk. Such exposure is also controlled, reviewed and approved by the management of the Company on routine basis. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Credit risk on cash and cash equivalent. deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial Institutions. Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Total non-current investments (other than subsidiaries and joint arrangements) and investments in liquid mutual funds as on 31st December 2021 are ₹ 9.20 crore and ₹ 475.08 crore (31st December 2020 - ₹ 4.50 and ₹ 74.31 crore)

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Expected credit loss assessment

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Movement in expected credit loss allowance of trade receivables

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balance at the beginning of the year	23.68	9.90
Add : provided during the year	5.39	15.23
Less : reversal of provisions	3.20	1.45
Balance at the end of the year	**25.87**	**23.68**

Expected credit loss provision in respect of financial assets other than trade receivables comprise of loans extended to subsidiary and joint operation of the company

Movement in expected credit loss allowance of financial assets other than trade receivables

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balance at the beginning of the year	60.34	55.22
Add : provided during the year	0.15	6.50
Less : reversal of provisions	0.20	1.38
Balance at the end of the year	**60.29**	**60.34**

NOTES TO FINANCIAL STATEMENTS

NOTE 56 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company has invested in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

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

Particulars	Carrying amount ₹ in crore	Contractual maturities			
		Less than 1 year ₹ in crore	1 - 5 Years ₹ in crore	More than 5 year ₹ in crore	Total ₹ in crore
As at 31st December 2021					
Borrowings	46.94	3.59	46.16	8.47	58.22
Lease liabilities	304.05	44.40	182.67	149.49	376.56
Trade payables	1,144.40	1,144.40	-	-	1,144.40
Other financial liabilities (Refer Note (a) below)	875.93	879.24	0.13	-	879.37
Total	**2,371.32**	**2,071.63**	**228.96**	**157.96**	**2,458.55**
As at 31st December 2020					
Borrowings	43.60	-	49.75	8.47	58.22
Lease liabilities	324.52	49.49	184.74	184.32	418.55
Trade payables	880.90	880.90	-	-	880.90
Other financial liabilities (Refer Note (a) below)	737.90	737.77	0.13	-	737.90
Total	**1,986.92**	**1,668.16**	**234.62**	**192.79**	**2,095.57**

Note:

a) Other financial liabilities includes deposits received from customers amounting to ₹ 500.34 crore (31st December 2020 - ₹ 490.39 crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

NOTES TO FINANCIAL STATEMENTS

NOTE 57 - SEGMENT REPORTING

(Refer Note 3 (R) for accounting policy on segment reporting)

A) The principal business of the Company is manufacturing and sale of Cement and Cement Related Products. All other activities of the Company revolve around its principal business. The Executive Committee of the Company, has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. CODM have concluded that there is only one operating reportable segment as defined under IND AS 108 "Operating Segments", i.e. Cement and Cement Related Products.

B) Geographical Information

The Company operates in geographical areas of India (country of domicile) and others (outside India).

		Revenues from customers		Non-current assets (Refer Note (a) below)	
		For the year ended 31st December 2021	For the year ended 31st December 2020	**As at 31st December 2021**	As at 31st December 2020
		₹ in crore	₹ in crore	**₹ in crore**	₹ in crore
a)	Within India	13,793.56	11,174.97	9,261.55	8,644.09
b)	Outside India (Refer Note (b) below)	-	-	-	-
	Total	**13,793.56**	**11,174.97**	**9,261.55**	**8,644.09**

Notes:

a) As per Ind AS 108 "Operating Segments" non current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

b) Company does not have revenue outside India.

C) Information about major customers

During the year ended 31st December 2021 and 31st December 2020, no single customer who contributes 10% or more to the Company's revenue.

NOTE 58 - PROPOSED AMALGAMATION OF A SUBSIDIARY

During the year 2019, the Board of Directors has approved the amalgamation of Dirk India Private Limited (DIPL), a wholly owned subsidiary with the Company with effect from 1st January 2020 in terms of the scheme of amalgamation, subject to regulatory approval. The application for merger is filed with the National Company Law Tribunal (NCLT) Mumbai and NCLT Ahmedabad. Pending regulatory approval the impact of the proposed amalgamation is not given in these financial statements.

NOTE 59 - EXCEPTIONAL ITEMS

During the year ended 31st December 2021, there was a charge of ₹ 65.69 crore on account of restructuring costs to employees and contract staff.

NOTE 60 - RISK DUE TO OUTBREAK OF COVID-19 PANDEMIC

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statement including the recoverability of carrying amounts of financial and non-financial assets. The Company has, at the date of approval of the financial statement, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same.

NOTE 61 - In December 2020, the CCI initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behaviour and conducted search and seizure operations in December 2020 against few companies. The Company has provided the information sought. The Company is of the firm view that it has acted and continues to act in compliance with competition laws. The Company is continuing to cooperate with the regulator. The Company believes that this does not have any impact on the financial statement.

NOTES TO FINANCIAL STATEMENTS

NOTE 62 - CODE ON SOCIAL SECURITY, 2020

The new Code on Social Security, 2020 (Code) has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE 63 - FINANCIAL INFORMATION IN RESPECT OF JOINT OPERATIONS THAT ARE NOT INDIVIDUALLY MATERIAL

The Company has interest in a joint operation "Wardha Vaalley Coal Field Private Limited". The Company's interest are accounted on a line-by-line basis by adding together the book value of like items of assets, liabilities, income, expenses and cash flow in the Standalone Financial Statements. Summarised financial information of the joint operation is given below:

Particulars	As at 31st December 2021 % and ₹ in crore	As at 31st December 2020 % and ₹ in crore
Shareholding in %	27.27%	27.27%
Aggregate information of joint operation		
The Company's share of profit / (loss)	(0.11)	(0.11)
The Company's share of total comprehensive income	(0.11)	(0.11)

NOTE 64 - Figures below ₹ 50,000 have not been disclosed.

NOTE 65 - The Company has reclassified security deposits as below to give effect to incremental changes in Division II to Schedule III to the Companies Act, 2013

Description	Notes	Previously reported amount ₹ in crore	Revised amount ₹ in crore	Change ₹ in crore
Balance Sheet				
Non-current financial assets				
Loans	11	76.35	0.94	75.41
Other financial assets	12	537.92	613.33	(75.41)

The accompanying notes are integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

Mumbai : 17th February 2022

Consolidated Accounts

INDEPENDENT AUDITOR'S REPORT

To The Members of Ambuja Cements Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Ambuja Cements Limited ("the Parent"/"the Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31st December 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), and which includes five joint operations of the Group accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st December, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Notes 50(b)(i) & 50(b)(ii) to the consolidated financial statements which describes the following matters:

a. In terms of the order dated 31st August, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 2,311.50 crores for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Parent and ACC Limited (a subsidiary of the Parent). On appeal by the Parent and ACC Limited, National Company Law Appellate Tribunal (NCLAT), which replaced the Competition Appellate Tribunal (COMPAT) effective 26th May, 2017, in its order passed on 25th July, 2018 had upheld the CCI's Order. The appeals by the Parent and ACC Limited against the said judgement of NCLAT before the Hon'ble Supreme Court were admitted vide its order dated 5th October, 2018 with a direction that the interim order passed by the Tribunal would continue.

b. In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI vide its order dated 19th January, 2017 had imposed penalty of ₹ 65.16 crores for alleged contravention of the provisions of the Competition Act by the Parent and ACC Limited. On appeal by the Parent and ACC Limited together with application for interim stay against payment of penalty, COMPAT has stayed the penalty pending hearing of the application. The matter is listed before the NCLAT for hearing.

Based on the assessment of the Parent and ACC Limited on the outcome of these appeals supported by the advice of external legal counsel, both the companies are of the view that no provision is necessary in respect of these matters in these Consolidated Financial Statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's Responses
1.	**Litigation, Claims and Contingent Liabilities:** (Refer Notes 3M and 50, read along with Emphasis of Matter in Independent Auditor's Report of the consolidated financial statements) The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims (including claims receivable) and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group disclosures made in relation to contingent liabilities. • Examined the Group's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the management from external law firms to evaluate the basis used for provisions recognised or the disclosures made in the consolidated financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions.
2.	**Income tax provision :** (Refer Notes 3S, 31, 32 and 50 of the consolidated financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes / litigations • Provision for tax involves interpretation of rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Group's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2021 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the Management's underlying key assumptions in estimating the tax provision. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint operation, subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint operations, subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of seven subsidiaries (which includes four joint operations of a subsidiary), whose financial statements reflect total assets of ₹ 120.35 crores as at 31st December, 2021, total revenues of ₹ 31.15 crores and net cash inflows amounting to ₹ 7.29 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 20.24 crores for the year ended 31st December, 2021, as considered in the consolidated financial statements, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the joint operations, subsidiaries, associates and joint ventures referred to in the Other Matter section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31st December, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its joint operation companies, subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st December, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures - Refer Notes 50 and 51 in the consolidated financial statements;

ii) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India, on the basis of information available with the Group.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ACYQCW4402)

Place : Mumbai
Date : 17th February, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the consolidated financial statements of Ambuja Cements Limited as at and for the year ended 31st December, 2021)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st December, 2021, we have audited the internal financial controls over financial reporting of Ambuja Cements Limited (hereinafter referred to as "the Parent / Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to six subsidiary companies, two associate companies and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ACYQCW4402)

Place : Mumbai
Date : 17th February, 2022

CONSOLIDATED BALANCE SHEET

as at 31st December 2021

Particulars			Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
ASSETS					
1	**Non-current assets**				
	a)	Property, plant and equipment	4	13,661.89	11,885.36
	b)	Right-of-use assets	5	497.87	503.87
	c)	Capital work-in-progress (Refer Note 4(g))		2,196.38	2,421.85
	d)	Goodwill	6	7,869.69	7,876.11
	e)	Other intangible assets	7	224.11	220.63
	f)	Investments in associates and joint ventures	9	170.51	154.60
	g)	Financial assets			
		i) Investments	10	27.60	12.70
		ii) Loans	12	11.56	12.45
		iii) Other financial assets	13	1,255.12	1,383.92
	h)	Non-current tax assets (net) (Refer Note 32)		1,125.86	1,100.29
	i)	Deferred tax assets (net)		2.91	2.91
	j)	Other non-current assets	14	1,141.36	1,341.18
	Total - Non-current assets			**28,184.86**	**26,915.87**
2	**Current assets**				
	a)	Inventories	15	2,738.04	1,648.58
	b)	Financial assets			
		i) Trade receivables	16	645.83	561.13
		ii) Cash and cash equivalents	17	11,358.49	8,571.56
		iii) Bank balances other than cash and cash equivalents	18	335.80	364.07
		iv) Loans	19	9.91	8.85
		v) Other financial assets	20	474.25	399.56
	c)	Current tax assets (net)		-	71.26
	d)	Other current assets	21	1,434.66	1,153.69
				16,996.98	**12,778.70**
	e)	Non-current assets classified as held for sale	22	25.44	26.13
	Total - Current assets			**17,022.42**	**12,804.83**
	TOTAL - ASSETS			**45,207.28**	**39,720.70**
EQUITY AND LIABILITIES					
Equity					
	a)	Equity share capital	23	397.13	397.13
	b)	Other equity	26	24,956.61	22,360.47
		Equity attributable to owners of the Company		**25,353.74**	**22,757.60**
	c)	Non controlling interest		7,145.03	6,340.89
	Total Equity			**32,498.77**	**29,098.49**
Liabilities					
1	**Non-current liabilities**				
	a)	Financial liabilities			
		i) Borrowings	27	43.50	43.60
		ii) Lease liability	28	362.52	380.62
		iii) Other financial liabilities	29	0.13	0.13
	b)	Provisions	30	281.54	271.41
	c)	Deferred tax liabilities (net)	31	756.19	626.00
	d)	Other non-current liabilities	33	36.74	40.05
	Total - Non-current liabilities			**1,480.62**	**1,361.81**
2	**Current liabilities**				
	a)	Financial liabilities			
		i) Trade payables			
		Total outstanding dues of micro enterprises and small enterprises	34	34.95	8.76
		Total outstanding dues of creditors other than micro enterprises and small enterprises		2,877.87	2,204.65
		ii) Lease liability	35	67.11	46.38
		iii) Other financial liabilities	36	2,008.86	1,747.68
	b)	Other current liabilities	37	4,305.87	3,910.90
	c)	Provisions	38	24.64	21.14
	d)	Current tax liabilities (net) (Refer Note 32)		1,908.59	1,320.89
	Total - Current liabilities			**11,227.89**	**9,260.40**
	Total Liabilities			**12,708.51**	**10,622.21**
	TOTAL - EQUITY AND LIABILITIES			**45,207.28**	**39,720.70**

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

ICAI Firm Registration No. 117366W/W-100018

Saira Nainar
Partner
Membership Number: 040081

Mumbai : 17th February 2022

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director & Chief Executive Officer
DIN - 07419090

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
for the year ended 31st December 2021

	Particulars		Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
1	**INCOME**				
	a)	Revenue from operations	39	28,965.46	24,516.17
	b)	Other income	40	352.44	449.59
	Total Income			**29,317.90**	**24,965.76**
2	**EXPENSES**				
	a)	Cost of materials consumed	41	3,183.41	2,532.87
	b)	Purchase of stock-in-trade	42	309.21	334.92
	c)	Changes in inventories of finished goods, work-in progress and stock-in-trade	43	(530.34)	256.45
	d)	Employee benefits expense	44	1,529.15	1,540.40
	e)	Finance costs	45	145.66	140.22
	f)	Depreciation and amortisation expense	46	1,152.49	1,161.78
	g)	Power and fuel		6,787.52	4,827.64
	h)	Freight and forwarding expense	47	7,132.90	6,271.54
	i)	Other expenses	48	4,387.84	3,768.92
				24,097.84	**20,834.74**
	j)	Self consumption of cement		(44.63)	(22.14)
	Total Expenses			**24,053.21**	**20,812.60**
3	**PROFIT BEFORE SHARE OF PROFIT OF JOINT VENTURES AND ASSOCIATES, EXCEPTIONAL ITEMS AND TAX EXPENSE (1-2)**			5,264.69	4,153.16
4	Share of profit in joint ventures and associates			20.23	14.44
5	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX EXPENSE (3+4)**			**5,284.92**	**4,167.60**
6	Exceptional items		66	120.45	176.01
7	**PROFIT BEFORE TAX (5-6)**			**5,164.47**	**3,991.59**
8	**TAX EXPENSE**		32		
	a)	Current tax charge		1,326.98	1,200.42
	b)	Deferred tax charge / (credit)		126.45	(315.67)
				1,453.43	**884.75**
9	**PROFIT FOR THE YEAR (7-8)**			**3,711.04**	**3,106.84**
10	**OTHER COMPREHENSIVE INCOME**				
	Items not to be reclassified to profit or loss in subsequent periods				
	a)	Remeasurement gains / (losses) on defined benefit plans		14.86	(15.39)
	b)	Share of remeasurement gains / (losses) on defined benefit plans of joint ventures and associates		-	(0.05)
				14.86	**(15.44)**
	Tax expenses on above			(3.75)	(6.18)
	Total other comprehensive income			**11.11**	**(21.62)**
11	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (9+10)**			**3,722.15**	**3,085.22**
12	**PROFIT FOR THE YEAR ATTRIBUTABLE TO**				
	Owners of the Company			2,780.38	2,365.44
	Non-controlling interest			930.66	741.40
13	**OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO**				
	Owners of the Company			8.40	(14.34)
	Non-controlling interest			2.71	(7.28)
14	**TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO**				
	Owners of the Company			2,788.78	2,351.10
	Non-controlling interest			933.37	734.12
15	**EARNINGS PER SHARE OF ₹ 2 EACH - IN ₹**		49		
	Basic			14.00	11.91
	Diluted			14.00	11.91

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

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

Saira Nainar
Partner
Membership Number: 040081

Mumbai : 17th February 2022

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director & Chief Executive Officer
DIN - 07419090

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31st December 2021

	Particulars	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
A	EQUITY SHARE CAPITAL	23		
	Opening Balance		397.13	397.13
	Changes during the year		-	-
	Closing balance		**397.13**	**397.13**

	Particulars	Reserves and surplus (Refer Note 26)									
		Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidies	Capital contribution from parent	Retained earnings	Total other equity attributable to owners of the Company	Non controlling interest	Total
		₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
B	OTHER EQUITY										
	Balance as at 1st January 2021	**130.71**	**12,471.16**	**5,814.49**	**9.93**	**5.02**	**3.18**	**3,925.98**	**22,360.47**	**6,340.89**	**28,701.36**
	Profit for the year	-	-	-	-	-	-	2,780.38	2,780.38	930.66	3,711.04
	Other comprehensive income (net of tax expenses)	-	-	-	-	-	-	8.40	8.40	2.71	11.11
	Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,788.78**	**2,788.78**	**933.37**	**3,722.15**
	Share based payment (Refer Note 65)	-	-	-	-	-	5.92	-	5.92	2.09	8.01
	Final equity dividend paid for the year 2020 (Refer Note 25)	-	-	-	-	-	-	(198.56)	(198.56)	(131.32)	(329.88)
	Balance as at 31st December 2021	**130.71**	**12,471.16**	**5,814.49**	**9.93**	**5.02**	**9.10**	**6,516.20**	**24,956.61**	**7,145.03**	**32,101.64**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st December 2021

Particulars	Reserves and surplus (Refer Note 26)									
	Capital reserve	Securities premium	General reserve	Capital redemption reserve	Subsidies	Capital contribution from parent	Retained earnings	Total other equity attributable to owners of the Company	Non controlling interest	Total
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
B OTHER EQUITY										
Balance as at 1st January 2020	**130.71**	**12,471.16**	**5,814.49**	**9.93**	**5.02**	**0.85**	**5,248.70**	**23,680.86**	**5,736.76**	**29,417.62**
Profit for the year	-	-	-	-	-	-	2,365.44	2,365.44	741.40	3,106.84
Other comprehensive income (net of tax expenses)	-	-	-	-	-	-	(14.34)	(14.34)	(7.28)	(21.62)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**2,351.10**	**2,351.10**	**734.12**	**3,085.22**
Share based payment (Refer Note 65)	-	-	-	-	-	2.33	-	2.33	1.33	3.66
Final equity dividend paid for the year 2019 (Refer Note 25)	-	-	-	-	-	-	(297.85)	(297.85)	(131.32)	(429.17)
Interim equity dividend paid for the year 2020 (Refer Note 25)	-	-	-	-	-	-	(3,375.60)	(3,375.60)	-	(3,375.60)
Dividend distribution tax on equity dividend paid by joint venture	-	-	-	-	-	-	(0.37)	(0.37)	-	(0.37)
Balance as at 31st December 2020	**130.71**	**12,471.16**	**5,814.49**	**9.93**	**5.02**	**3.18**	**3,925.98**	**22,360.47**	**6,340.89**	**28,701.36**

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

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

Saira Nainar
Partner
Membership Number: 040081

Mumbai : 17th February 2022

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

Rajiv Gandhi
Company Secretary

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

Martin Kriegner
Director
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Chairman - Audit Committee
DIN - 00015986

Neeraj Akhoury
Managing Director &
Chief Executive Officer
DIN - 07419090

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31st December 2021

Particulars		Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
A)	CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before tax		5,164.47	3,991.59
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation and amortisation expense	46	1,152.49	1,161.78
	Exceptional item	66	113.11	176.01
	Expected credit loss on non current financial assets		-	128.92
	(Gain) / Loss on property, plant and equipment sold, discarded and written off (net)		25.27	32.86
	Impairment of goodwill in subsidiary company	62	6.42	-
	Loss on buy back of shares in joint venture		-	0.26
	Gain on sale of current financial assets measured at fair value through profit and loss	40	(17.80)	(26.65)
	Gain on sale of investment in subsidiary company		-	(12.91)
	Net gain on fair valuation of liquid mutual fund measured at fair value through profit and loss	40	(0.37)	(0.47)
	Unwinding of discounting charge on interest free sales tax loan	45	3.34	3.18
	Finance costs	45	142.32	137.04
	Interest income		(302.30)	(401.48)
	Provision for slow and non moving store and spares (net)		29.85	25.39
	Impairment loss/ (Reversal) on trade receivable (net)		(8.79)	52.55
	Discounting income on interest free loan		-	(3.25)
	Unrealised exchange (gain) / loss (net)		3.36	8.29
	Fair value movement in derivative instruments		5.92	1.30
	Interest on income tax written back		-	(5.77)
	Provisions no longer required written back	39	(18.53)	(11.86)
	Compensation Expenses under Employees Stock Options Scheme		8.01	3.66
	Inventories written off		2.40	1.66
	Provisions / (Reversal) for doubtful advances (net)		(0.13)	-
	Unrealised share of profit in associates and joint ventures		(20.23)	(14.44)
	Other non cash items		(0.63)	(2.41)
	Operating profit before working capital changes		**6,288.18**	**5,245.25**
	Changes in Working Capital			
	Adjustments for Decrease / (Increase) in operating assets			
	Decrease / (Increase) in Trade receivables, loans & advances and other assets	12-14, 16, 19-21	(268.03)	244.50
	Decrease / (Increase) in Inventories	15	(1,121.71)	420.49
	Adjustments for Increase / (Decrease) in operating liabilities			
	Increase / (Decrease) in Trade payables, other liabilities and provisions	27-30, 33-38	1,058.33	92.24
			(331.41)	**757.23**
	Cash generated from operations		5,956.77	6,002.48
	Direct taxes paid (net of refunds) (Refer Note (1) below)		(647.61)	(1,170.17)
	Net cash flow from operating activities (A)		**5,309.16**	**4,832.31**
B)	CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of property, plant and equipment, intangibles etc. (including capital work in progress and capital advances)		(2,334.10)	(1,733.65)
	Proceeds from sale of property, plant and equipment		37.76	8.33
	Inter corporate deposits and loans given to joint ventures		(0.02)	(0.02)
	Proceeds from sale of investment in subsidiary company		-	20.00
	Proceeds from buyback of shares of joint venture		-	2.24
	Gain on sale of current financial assets measured at fair value through profit and loss		8.26	26.65
	Investments in bank deposits (having original maturity of more than 3 months and upto 12 months)		(15,710.06)	(15,438.05)
	Redemption of bank deposits (having original maturity of more than 3 months and upto 12 months)		15,730.72	15,423.65
	Investments in bank deposits (having original maturity of more than 12 months)		(24.27)	(31.65)
	Redemption in bank deposits (having original maturity of more than 12 months)		7.40	20.42
	Purchase of non current investment		(14.90)	(9.00)
	Net Proceeds from sale of mutual funds		9.54	-
	Investment in certificate of deposits		-	(750.00)
	Redemption of certificate of deposits		-	750.00
	Dividend received from joint venture and associates		4.31	2.79
	Interest received		278.31	391.04
	Net cash used in investing activities (B)		**(2,007.05)**	**(1,317.25)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st December 2021

Particulars	Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from non-current borrowings		-	8.47
Repayment of current maturity of non-current borrowing		-	(5.86)
Interest paid		(107.21)	(86.40)
Repayment of lease liability	54	(54.08)	(41.05)
Interest portion of lease repayment	45	(24.59)	(26.61)
Net movement in earmarked balances with banks		3.54	(8.84)
Dividend paid on equity shares		(202.10)	(3,664.61)
Dividend paid to Non-controlling Interest		(131.32)	(131.32)
Net cash used in financing activities (C)		**(515.76)**	**(3,956.22)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**2,786.35**	**(441.16)**
Cash and cash equivalents			
Cash and cash equivalents at the end of the year	17	11,358.49	8,571.56
Cash and cash equivalents related to entity held for sale		0.26	0.47
Transfer on sale of investment in subsidiary		-	0.01
Adjustment for fair value gain on liquid mutual funds measured through profit and loss		(0.37)	(0.47)
		11,358.38	**8,571.57**
Cash and cash equivalents at the beginning of the year	17	8,571.56	9,011.88
Cash and cash equivalents related to entity held for sale at the beginning of the year		0.47	0.85
		8,572.03	**9,012.73**
Net increase / (decrease) in cash and cash equivalents		**2,786.35**	**(441.16)**

Notes:

1) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) "Statement of Cash Flow".

3) Changes in liabilities arising from financing activities:

Particulars	As at 31st December 2020	Cash flow changes		Non-cash flow changes		As at 31st December 2021
		Receipts	Payments	Unwinding charges	Other changes	
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Non-current borrowings (Refer Note 27)	43.60	-	-	3.34	(3.44)	43.50
Current maturities of non-current borrowings (Refer Note 36)	-	-	-	-	3.44	3.44
Total	**43.60**	**-**	**-**	**3.34**	**-**	**46.94**

The accompanying notes are integral part of the Consolidated Financial Statements

In terms of our report attached

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

Saira Nainar
Partner
Membership Number: 040081

Mumbai : 17th February 2022

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

Rajiv Gandhi
Company Secretary

N.S. Sekhsaria
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DIN - 00077715

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Neeraj Akhoury
Managing Director & Chief Executive Officer
DIN - 07419090

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Ambuja Cements Limited (the Company, parent) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India and its GDRs are listed under the EURO Multilateral Trading Facility (MTF) Platform of Luxembourg Stock Exchange. The registered office of the Company is located at Ambujanagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

The consolidated financial statements comprise the financial statements of Ambuja Cements Limited ("the Company") and its subsidiaries (collectively, the Group).

The Group's principal activity is to manufacture and market cement and cement related products. The Group has manufacturing facilities across India and caters mainly to the domestic market.

Information on the Group's structure is provided in Note 11. Information on related party relationship of the Group is provided in Note 55.

2. BASIS OF PREPARATION AND CONSOLIDATION

A. Basis of preparation

These consolidated financial statements of the Company, entities controlled by the Company and its subsidiaries (together the group) have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on 17th February 2022.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

I. Certain financial assets and liabilities are measured at fair value (refer note 3 (L) for accounting policy on financial instruments).

II. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

III. Employee defined benefit plans, recognised at the net total of the fair value of plan assets and the present value of the defined benefit obligation.

IV. Investments in associates and joint ventures which are accounted for using the equity method.

V. Employee share based payments measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

Functional and Presentation Currency

Consolidated Financial statements are presented in Indian Rupees (₹), which is the functional currency of the Group.

Rounding of amounts

All the values are rounded to the nearest crore as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

B. Basis of consolidation

I. The consolidated financial statements comprise those of Ambuja Cements Limited, entities controlled by the Company and its subsidiaries. The list of principal companies is presented in note 11.

II. A Company is considered a subsidiary when controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

III. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee,

b. Rights arising from other contractual arrangements,

c. The Group's voting rights and potential voting rights,

d. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

e. Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time when decisions need to be made, including voting patterns at previous shareholders' meetings.

IV. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

V. In cases where the financial year of subsidiaries is different from that of the Company, the financial statements of the subsidiaries have been drawn up so as to be aligned with the financial year of the Company.

VI. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that of the Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

VII. Consolidation procedure

a. The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the Ind AS 110 "Consolidated Financial Statements", on a line-by-line basis by adding together the book value of like items of assets, liabilities, income, expenses and cash flow.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how any related goodwill is accounted.

c. Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

VIII. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

IX. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

X. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a. Derecognises the assets (including goodwill) and liabilities of the subsidiary,

b. Derecognises the carrying amount of any non-controlling interest,

c. Derecognises the cumulative translation differences recorded in equity,

d. Recognises the fair value of the consideration received,

e. Recognises the fair value of any investment retained, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture,

f. Recognises any surplus or deficit in the consolidated statement of profit and loss,

g. Reclassifies the parent's share of components previously recognised in other comprehensive income (OCI) to the consolidated statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

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

III. Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

IV. An item of property, plant and equipment and any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss in "other income / (expenses)" when the asset is derecognised.

B. Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation is calculated using "Written down value method" for assets related to Captive Power Plant and using "Straight line method" for other assets. Estimated useful lives of the assets are as follows:

Assets	Useful Life
Land (freehold)	No depreciation except on land with mineral reserves. Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
Leasehold mining land	Amortised over the period of lease
Buildings, roads and water works	3 – 60 years
Plant and equipment	8 – 30 years
Assets related to Captive Power Plant	40 years
Railway sidings and locomotives	8 – 15 years
Furniture, office equipment and tools	3 – 10 years
Vehicles	6 – 10 years
Ships	25 years

The useful life as estimated above is also in line with the prescribed useful life estimates as specified under Schedule II to the Act.

II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

III. The Group identifies and determines cost of each component / part of the asset separately, if the component / part have a cost, which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

IV. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

V. Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Stripping Cost

Stripping costs incurred during the mining production phase are allocated between the cost of inventory produced and the existing mine asset.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to limestone, provided all the following conditions are met:

i. it is probable that the future economic benefit associated with the stripping activity will be realised;

ii. the component of the limestone body for which access has been improved can be identified; and

iii. the costs relating to the stripping activity associated with the improved access can be reliably measured.

D. Amortisation of intangible assets

A summary of the policies applied to the Group's intangible assets are, as follows:

Intangible assets	Useful life	Amortisation method used
Water drawing rights	Finite (10-30 years)	Amortised on a straight-line basis over the useful life
Computer software	Finite (upto 5 years)	Amortised on a straight-line basis over the useful life
Mining Rights	Finite (0-90 years)	Over the period of the respective mining agreement

E. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. In cases, where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Group estimates the recoverable amount for the smallest cash generating unit to which the non-financial asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

F. Inventories

Inventories are valued after providing for obsolescence, as follows:

I. Raw materials, stores and spare parts, fuel and packing material:

Valued at 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:

Valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

G. Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred, liabilities incurred to the former owner of the acquiree and the equity interests issued in exchange of control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis indicated below:

I. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

II. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

III. Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and fair value of any previously held interest in acquiree, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination of entities under common control

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

H. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (also see note 3 (G) in accounting policy) less accumulated impairment losses, if any.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. The recoverable amount is the higher of the assets fair value less cost of disposal and value in use. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

I. Investment in associates and joint ventures

I. Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost less impairment, if any.

II. Joint ventures

Interests in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other comprehensive income of the investee in the consolidated statement of profit and loss. An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as of the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the impairment of non-financial assets policy described above.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value and that fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit and loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in the other comprehensive income are reclassified to the consolidated statement of profit and loss where appropriate.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

K. Fair value measurement

The Group measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

L. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the consolidated statement of profit and loss.

I. Financial assets

a. The Group's financial assets comprise :

i. Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees, incentives receivable from Government and non-current deposits.

b. Initial recognition and measurement of financial assets

The Group recognises a financial asset in its consolidated balance sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c. Measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. Financial assets at amortised cost

Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortised cost category is the most relevant to the Group. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as financial investments – bonds and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the consolidated statement of profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. **Debt instrument at fair value through other comprehensive income (FVTOCI)**

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

Debt instruments that meet the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument at FVTPL.

Debt instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement are recognised in the consolidated statement of profit and loss.

This category comprises investments in liquid mutual funds and derivatives.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the statement of profit and loss.

The Group has designated its investments in equity instruments as FVTPL category.

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

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

The Group has not designated investments in any equity instruments as FVTOCI.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

d. **Derivative Financial Instruments**

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group does not hold derivative financial instruments for speculative purposes.

e. **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in the consolidated statement of profit and loss on disposal of that financial asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in the consolidated statement of profit and loss on disposal of that financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

f. **Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the consolidated statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

II. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

b. Financial liabilities

i. The Group's financial liabilities comprise:

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

ii. Initial recognition and measurement

The Group recognises a financial liability in its consolidated balance sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

iii. Subsequent measurement of financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. Subsequent measurement of financial liabilities at fair value through profit or loss (FVTPL)

The Group uses foreign exchange forward contracts as derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the consolidated statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group enters into derivative financial instruments such as foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

v. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

M. Provisions and contingencies

I. Provisions

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amounts recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamation expenses

The Group provides for the expenses to reinstate the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

II. Contingent liability

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

III. Contingent asset

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

N. Foreign exchange gains and losses

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

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

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

O. Revenue recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services.

I. Sale of goods

Revenue from the sale of the Group's core product Cement and Ready Mix Concrete is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Contract balances

Trade Receivables

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a group's right to consideration that is conditional on something other than the passage of time.

Contract Liabilities

Contract liability is a group's obligation to transfer goods or services to a customer which the entity has already received consideration, relate mainly to advance payment from customers. Contract liabilities are recognised as revenue when the company performs under the contract.

II. Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the services is performed and there are no unfulfilled obligations.

III. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Dividends

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

P. Retirement and other employee benefits

I. Defined contribution plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the consolidated statement of profit and loss for the year in which the employee renders the related service.

II. Defined benefit plan

The Group's gratuity fund scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the balance sheet date.

Employee benefit, in the form of contribution to provident fund managed by a trust set up by the Group, is charged to consolidated statement of profit and loss for the year in which the employee renders the related service. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the consolidated statement of profit and loss based on actuarial valuation.

Past service costs are recognised in the consolidated statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Group recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the consolidated statement of profit and loss in subsequent periods.

III. Short term employee benefits

a. Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the consolidated statement of profit and loss of the year in which the related service is rendered.

b. Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

IV. Other long-term employee benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the consolidated balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Long service awards and accumulated compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

V. Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following:

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

VII. Employee share-based payments

The Ultimate holding Company of the Group operates various equity-settled performance share plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognised in the Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents movement in the cumulative expenses recognised as at the beginning and end of that period.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account is transferred within other equity.

Q. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

I. The appropriate level of management is committed to a plan to sell the asset,

II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the consolidated statement of profit and loss.

R. Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

S. Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

I. Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the consolidated statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the consolidated statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The Group applies significant judgment in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Group's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

T. Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

i. the contract involves the use of an identified asset

ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Group has the right to direct the use of the asset

Group as a lessee:

Right-of-use assets

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

Right-of-use assets	Average (Range) lease terms (in years)
Buildings	2-30
Leasehold land	5-99
Ships and tugs	5-13
Furniture, vehicle and tools	5
Plant and Equipment	6

The right-of-use assets is also subject to impairment. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Group uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the Statement of Profit or Loss.

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. For lease arrangement in respect of ships, the non-lease components are not separated from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

i. The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ii. A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ROU asset have been separately presented in the Consolidated Balance Sheet, whereas lease liability have been included under “other financial liabilities” in Consolidated Balance sheet and lease payments have been classified as financing cash flows.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right-of-use assets and lease liability and their respective tax bases are recognised separately.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (range different for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Group as a lessor:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

U. Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Board of Directors of the Company has appointed executive committee (ExCo) as CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

V. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Group's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

W. Government grants and subsidies

I. Grants and subsidies from the Government are recognised when the Group will comply with all the conditions attached to them and there is a reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

II. Where the government grants / subsidies relate to revenue, they are recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.

III. Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

IV. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

V. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

X. Earnings per share

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

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

Y. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements". Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Group has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities

Z. Exceptional items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed separately in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AA. Use of estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the consolidated notes to the financial statements.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below :

I. Classification of legal matters and tax litigations

The litigations and claims to which the Group is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

II. Defined benefit obligations

The cost of defined benefit gratuity plans and post-retirement medical benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

III. Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of profit and loss. The useful lives of the Group's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

IV. Leases Ind AS 116

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

BB. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st January 2022.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1st January 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

(Refer Note 3 (A) and 3 (B) for accounting policy on property, plant and equipment)

Particulars	Gross Carrying Value				Accumulated Depreciation				Accumulated Impairment			Net Carrying Value (Refer Note (d) below)	
	As at 1st January 2021	Additions	Deductions/ Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year (Refer Note (e) below)	Deductions/ Transfers	As at 31st December 2021	As at 1st January 2021	Impairment losses recognised in profit or loss	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Freehold non-mining land	563.24	5.74	-	568.98	0.08	0.02	-	0.10	-	-	-	568.88	563.16
Freehold mining land	1,137.82	78.57	-	1,216.39	85.88	41.89	-	127.77	-	-	-	1,088.62	1,051.94
Leasehold mining land	201.17	0.19	-	201.36	5.25	2.06	-	7.31	-	-	-	194.05	195.92
Buildings, roads and water works (Refer Note (a) below)	3,352.78	288.01	7.55	3,633.24	772.59	154.77	4.73	922.63	29.27	4.11	33.38	2,677.23	2,550.92
Plant and equipment (owned) (Refer Note (b) below)	11,541.82	2,371.42	105.06	13,808.18	4,372.46	782.70	48.25	5,106.91	116.75	10.52	127.27	8,574.00	7,052.61
Furniture and fixtures	59.54	5.18	0.36	64.36	32.72	7.28	2.11	37.89	0.27	0.03	0.30	26.17	26.55
Vehicles	228.46	28.08	17.01	239.53	104.81	28.40	12.36	120.85	10.14	-	10.14	108.54	113.51
Office equipment	145.90	31.36	7.21	170.05	112.43	19.47	7.05	124.85	0.53	-	0.53	44.67	32.94
Marine structures (Refer Note (c) below)	24.37	-	-	24.37	17.31	3.00	-	20.31	-	-	-	4.06	7.06
Railway sidings and locomotives	324.42	119.32	-	443.74	121.31	27.23	-	148.54	1.43	-	1.43	293.77	201.68
Ships	126.54	-	0.02	126.52	37.47	7.17	0.02	44.62	-	-	-	81.90	89.07
Total	**17,706.06**	**2,927.87**	**137.21**	**20,496.72**	**5,662.31**	**1,073.99**	**74.52**	**6,661.78**	**158.39**	**14.66**	**173.05**	**13,661.89**	**11,885.36**

Particulars	Gross Carrying Value				Accumulated Depreciation				Accumulated Impairment			Net Carrying Value (Refer Note (d) below)	
	As at 1st January 2020	Additions	Deductions/ Transfers	As at 31st December 2020	As at 1st January 2020	Charge for the year (Refer Note (e) below)	Deductions/ Transfers	As at 31st December 2020	As at 1st January 2020	Impairment losses recognised in profit or loss	As at 31st December 2020	As at 31st December 2020	As at 31st December 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Freehold non-mining land	512.60	50.74	0.10	563.24	0.06	0.02	-	0.08	-	-	-	563.16	512.54
Freehold mining land	1,112.41	25.45	0.04	1,137.82	54.74	31.14	-	85.88	-	-	-	1,051.94	1,057.67
Leasehold mining land	200.84	0.33	-	201.17	3.19	2.06	-	5.25	-	-	-	195.92	197.65
Leasehold non-mining land (Refer Note (j) below)	71.98	0.10	72.08	-	2.87	-	2.87	-	-	-	-	-	69.11
Buildings, roads and water works (Refer Note (a) below)	3,280.62	84.22	12.06	3,352.78	622.85	157.79	8.05	772.59	-	29.27	29.27	2,550.92	2,657.77
Plant and equipment (owned) (Refer Note (b) below)	11,207.37	424.61	90.16	11,541.82	3,611.32	815.72	54.58	4,372.46	-	116.75	116.75	7,052.61	7,596.05
Furniture and fixtures	54.62	5.78	0.86	59.54	27.66	5.63	0.57	32.72	-	0.27	0.27	26.55	26.96
Vehicles	207.61	25.99	5.14	228.46	80.91	27.22	3.32	104.81	-	10.14	10.14	113.51	126.70
Office equipment	137.85	9.99	1.94	145.90	94.92	19.36	1.85	112.43	-	0.53	0.53	32.94	42.93
Marine structures (Refer Note (c) below)	24.37	-	-	24.37	14.31	3.00	-	17.31	-	-	-	7.06	10.06
Railway sidings and locomotives	307.95	16.47	-	324.42	95.66	25.65	-	121.31	-	1.43	1.43	201.68	212.29
Ships	126.54	-	-	126.54	30.28	7.19	-	37.47	-	-	-	89.07	96.26
Total	**17,244.76**	**643.68**	**182.38**	**17,706.06**	**4,638.77**	**1,094.78**	**71.24**	**5,662.31**	**-**	**158.39**	**158.39**	**11,885.36**	**12,605.99**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (CONTD.....)

Includes :

a) i) Premises in co-operative societies, on ownership basis of ₹ 84.50 crore (31st December 2020 - ₹ 84.50 crore) and ₹ 9.33 crore (31st December 2020 - ₹ 7.73 crore) being accumulated depreciation thereon.

ii) ₹ 19.92 crore (31st December 2020 - ₹ 19.48 crore) being cost of roads constructed by the Group, the ownership of which vests with the government / local authorities and ₹ 17.24 crore (31st December 2020 - ₹ 16.87 crore) being accumulated depreciation thereon.

iii) Buildings include cost of shares 12,050 (31st December 2020 - 34,600) in various Co-operative Housing Societies, in respect of 8 (31st December 2020 - 17) residential flats.

b) ₹ 73.83 crore (31st December 2020 - ₹ 73.47 crore) being cost of power lines incurred by the Group, the ownership of which vests with the state electricity boards and ₹ 13.47 crore (31st December 2020 - ₹ 11.17 crore) being accumulated depreciation thereon.

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

d) As per the website of the Ministry of Corporate affairs, certain charges aggregating Nil (31st December 2020 - ₹ 23.42 crore) on properties of the Group are pending for satisfaction due to some procedural issues, although related loan amounts have already been paid in full.

e) ₹ 0.07 crore (31st December 2020 - ₹ 5.18 crore) depreciation capitalised during construction for projects (Refer Note 8)

f) i) The title deeds of immovable properties are held in the name of the Group except for 1 case (31st December 2020 - 1 case) of Right-of-use assets (31st December 2020 leasehold land) amounting to net block of ₹ 1.98 crore (31st December 2020 - ₹ 2.04 crore), 15 cases (31st December 2020 - 15 cases) of freehold land amounting to net block of ₹ 2.67 crore (31st December 2020 - ₹ 2.67 crore) and 2 cases (31st December 2020 - 2 cases) of Buildings amounting to net block of ₹ 12.11 crores (31st December 2020 - ₹ 5.39 crores), respectively for which title deeds are in the name of subsidiary and erstwhile Ambuja Cements Rajasthan Limited (merged with the Group).

ii) The Group is in the process of obtaining the title deeds of Freehold mining land of ₹ 131.53 Crore (31st December 2020 - ₹ 131.53 crore) and Building amounting to net block of ₹ 4.39 crore (31st December 2020 - Nil) which is included in Property, plant and equipment.

g) Capital work in progress as at 31st December 2021 is ₹ 2,196.38 crore (31st December 2020 - ₹ 2,421.85 crore) comprises of various projects and expansions spread over all units.

Major Capital Work-in-Progress are related to following projects :

Project	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Integrated plant at Marwar	337.16	1,392.00
Coal Block	31.64	103.57
Railway Siding	65.86	144.88
Waste Heat Recovery System	396.86	136.50
Flyash Dryer	43.04	-
Greenfield integrated cement plant in Ametha	433.26	65.14
Expansion of the existing grinding unit in Tikaria	253.26	10.63
Expansion of the existing grinding unit in Sindri	-	168.36
Others	635.30	400.77
Total	**2,196.38**	**2,421.85**

There are no projects where activity has been suspended.

Refer Note 8 for the amount of expenditure recognised in the carrying amount of an item of Property, Plant and Equipment / Capital work in progress (CWIP) in the course of its construction.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT (CONTD.....)

h) For contractual commitment with respect to property, plant and equipment Refer Note 52.

i) During the previous year, considering lower profitability due to higher input cost, the Company had suspended part of it's operations at Madukkarai plant. The Group carried out a review of the recoverable amount of the tangible assets and capital work in progress used in the cement manufacturing facility at Madukkarai. The recoverable amount from such tangible assets and capital work in progress at Madukkarai plant was assessed to be lower than it's total carrying amount and consequently an impairment loss of ₹ 176.01 crore (including Capital work in progress ₹ 17.62 crore) was recognised and disclosed as an exceptional item. The discount rate used in measuring recoverable value was 10.64 per cent per annum. The future cash flows are derived from the detailed budgets and forecast for the next three years. Steady growth rate of 4 per cent per annum is applied beyond the forecast period. There is no change on re-assessment in the current year.

In the current year out of the total impairment charge of ₹ 17.62 crore on Capital work in progress, provision of ₹ 14.66 crore has been transferred to tangible assets on capitalisation.

j) Upon implementation of Ind AS 116 - Leases from 1st January 2020, all leasehold non-mining land, identified under the earlier Ind AS 17 amounting ₹ 69.17 crore (net block) have been reclassified as Right-of-use assets. Refer Note 54 A(c).

NOTE 5 - RIGHT-OF-USE ASSETS

(Refer Note 3 (T) and (BB) for accounting policy on leases)

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
	As at 1st January 2021	Additions	Deductions / Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year	Deductions/ Transfers	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leasehold land (Refer Note 4 (f) and 54 A(c))	197.81	33.43	2.18	229.06	17.19	17.00	2.19	32.00	197.06	180.62
Building and installation	12.74	1.18	1.95	11.97	3.03	2.30	1.32	4.01	7.96	9.71
Plant and Equipment	39.35	20.36	4.03	55.68	10.29	11.41	2.99	18.71	36.97	29.06
Ships and tugs	315.64	2.84	1.31	317.17	31.44	31.21	1.24	61.41	255.76	284.20
Furniture, vehicle and tools	0.44	-	-	0.44	0.16	0.16	-	0.32	0.12	0.28
Total	**565.98**	**57.81**	**9.47**	**614.32**	**62.11**	**62.08**	**7.74**	**116.45**	**497.87**	**503.87**

Particulars	Gross Carrying Value					Accumulated Depreciation					Net Carrying Value
	As at 1st January 2020 (Refer Note (a) below)	Reclassified on account of Ind AS 116 (Refer Note (a) below)	Additions	Deductions / Transfers	As at 31st December 2020	As at 1st January 2020	Reclassified on account of Ind AS 116 (Refer Note (a) below)	Charge for the year	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leasehold land (Refer Note 4 (f), (j) and 54 A(c))	89.97	105.98	6.93	5.07	197.81	-	2.87	15.17	0.85	17.19	180.62
Building and installation	13.54	-	0.35	1.15	12.74	-	-	3.21	0.18	3.03	9.71
Plant and Equipment	56.45	-	1.27	18.37	39.35	-	-	12.80	2.51	10.29	29.06
Ships and tugs	315.64	-	-	-	315.64	-	-	31.44	-	31.44	284.20
Furniture, vehicle and tools	0.44	-	-	-	0.44	-	-	0.16	-	0.16	0.28
Total	**476.04**	**105.98**	**8.55**	**24.59**	**565.98**	**-**	**2.87**	**62.78**	**3.54**	**62.11**	**503.87**

Note:

a) Refer Note 54 on adoption of Ind AS 116 ''Leases''

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - GOODWILL

(Refer Note 3 (H) for accounting policy on goodwill)

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 1st January 2021	Additions	Deductions/ Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year	Deductions/ Transfers	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Goodwill (Refer Note (a), (b) below and 64(d))	8,111.74	-	6.42	8,105.32	235.63	-	-	235.63	7,869.69	7,876.11
Total	**8,111.74**	**-**	**6.42**	**8,105.32**	**235.63**	**-**	**-**	**235.63**	**7,869.69**	**7,876.11**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 1st January 2020	Additions	Deductions/ Transfers	As at 31st December 2020	As at 1st January 2020	Charge for the year	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2020	As at 31st December 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Goodwill (Refer Note (a), (b) below and 64(a))	8,117.12	-	5.38	8,111.74	235.63	-	-	235.63	7,876.11	7,881.49
Total	**8,117.12**	**-**	**5.38**	**8,111.74**	**235.63**	**-**	**-**	**235.63**	**7,876.11**	**7,881.49**

Notes:

a) Pertains to goodwill on consolidation ₹ 7,869.69 crore (31st December 2020 - ₹ 7,876.11 crore). (Refer Note 62)

b) The Group has adopted Ind AS w.e.f. 1st January 2017. In previous GAAP, the Group was amortising goodwill. Accumulated amortisation is related to previous GAAP.

NOTE 7 - OTHER INTANGIBLE ASSETS

(Refer Note 3 (C) and 3 (D) for accounting policy on intangible assets)

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 1st January 2021	Additions	Deductions/ Transfers	As at 31st December 2021	As at 1st January 2021	Charge for the year	Deductions/ Transfers	As at 31st December 2021	As at 31st December 2021	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Mining Rights	246.10	18.62	2.42	262.30	27.67	14.88	-	42.55	219.75	218.43
Water drawing rights	0.33	-	-	0.33	0.13	0.02	-	0.15	0.18	0.20
Computer software	5.34	3.78	0.03	9.09	3.34	1.60	0.03	4.91	4.18	2.00
Total	**251.77**	**22.40**	**2.45**	**271.72**	**31.14**	**16.50**	**0.03**	**47.61**	**224.11**	**220.63**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net carrying value	
	As at 1st January 2020	Additions	Deductions/ Transfers	As at 31st December 2020	As at 1st January 2020	Charge for the year	Deductions/ Transfers	As at 31st December 2020	As at 31st December 2020	As at 31st December 2019
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Mining rights	231.51	14.59	-	246.10	19.05	8.84	0.22	27.67	218.43	212.46
Water drawing rights	0.33	-	-	0.33	0.11	0.02	-	0.13	0.20	0.22
Computer software	4.28	1.85	0.79	5.34	3.10	0.54	0.30	3.34	2.00	1.18
Total	**236.12**	**16.44**	**0.79**	**251.77**	**22.26**	**9.40**	**0.52**	**31.14**	**220.63**	**213.86**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - CAPITALISATION OF EXPENDITURE

The Group has capitalised following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised.

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balance at the beginning of the year included in capital work-in-progress	165.05	77.33
Add : Expenditure during construction for projects		
Employee benefits expenses (Refer Note (a) below)	52.31	46.27
Depreciation and amortisation expense (Refer Note 4 (e))	0.07	5.18
Other expenses (Refer Note (b) below)	108.19	41.52
	325.62	**170.30**
Less : Capitalised during the year (Refer Note (c) below)	266.33	5.25
Balance at the end of the year included in capital work-in-progress	**59.29**	**165.05**

Notes:

a) Costs of employee benefits (as defined in Ind AS 19 “Employee Benefits”) of project associated departments are arising directly from the construction or acquisition of the item of property, plant and equipment.

b) Other expense are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) During the year 2021, the Company has started commercial production at its integrated plant at Marwar in Rajasthan with clinker capacity of 3.0 million ton per annum and cement grinding capacity of 1.8 million ton per annum.

NOTE 9 - INVESTMENT IN ASSOCIATES AND JOINT VENTURES

(Refer Note 3 (I) for accounting policy on investment in associates and joint ventures)

	Particulars	Face Value (in ₹)	As at 31st December 2021		As at 31st December 2020	
			No of shares	₹ in crore	No of shares	₹ in crore
A)	**Investments in associates, Unquoted, In fully paid equity shares**					
	Alcon Cement Company Private Limited	10	408,001	18.66	408,001	18.66
	Add : Share of profit			0.33		0.29
	Less : Dividend received			(0.44)		(0.29)
				18.55		**18.66**
	Asian Concretes and Cements Private Limited	10	8,100,000	92.92	8,100,000	84.32
	Add : Share of profit			9.25		8.60
				102.17		**92.92**
				120.72		**111.58**
B)	**Investments in joint ventures, Unquoted, In fully paid equity shares**					
	Aakaash Manufacturing Company Private Limited	10	4,401	12.57	4,401	11.93
	Add : Share of profit			1.94		0.64
	Less : Dividend received			(1.13)		-
				13.38		**12.57**
	Counto Microfine Products Private Limited (During the previous year 675,677 shares were bought back)	10	7,644,045	30.45	7,644,045	30.96
	Add : Share of profit			8.71		4.86
	Less : Shares bought back			-		(2.87)
	Less : Dividend received			(2.75)		(2.50)
				36.41		**30.45**
				49.79		**43.02**
	Total (A + B)			**170.51**		**154.60**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - NON-CURRENT INVESTMENTS

	Particulars	Face Value (in ₹)	As at 31st December 2021		As at 31st December 2020	
			No of shares	₹ in crore	No of shares	₹ in crore
A)	**Investments carried at amortised cost**					
	Unquoted, In Government and trust securities					
	National Savings Certificate ₹ 36,500 (31st December 2020 - ₹ 36,500), deposited with government department as security. (Refer Note (b) below)			-		-
	Unquoted, In Public sector bonds					
	5.13% taxable redeemable bonds Himachal Pradesh Infrastructure Development Bonds	1,000,000	37	3.70	37	3.70
				3.70		**3.70**
B)	**Investments carried at fair value through profit and loss**					
	Unquoted, In fully paid equity shares					
	Kanoria Sugar & General Manufacturing Company Limited (Refer Note (b) below)	10	4	-	4	-
	Gujarat Composites Limited (Refer Note (b) below)	10	60	-	60	-
	Rohtas Industries Limited (Refer Note (b) below)	10	220	-	220	-
	The Jaipur Udyog Limited (Refer Note (b) below)	10	120	-	120	-
	Digvijay Finlease Limited (Refer Note (b) below)	10	90	-	90	-
	The Travancore Cement Company Limited (Refer Note (b) below)	10	100	-	100	-
	Ashoka Cement Limited (Refer Note (b) below)	10	50	-	50	-
	The Sone Valley Portland Cement Company Limited (Refer Note (b) below)	5	100	-	100	-
	Gujarat Goldcoin Ceramics Limited (Refer Note (c) below)	10	1,000,000	-	1,000,000	-
	Avaada MHBuldhana Private Limited (Refer Note (d) below)	10	787,500	0.79	-	-
	Solbridge Energy Private Limited (Refer Note (e) below)	10	11,099,594	14.11	-	-
	Amplus Green Power Private Limited (Refer Note (f) below)	10	5,157,184	9.00	5,157,184	9.00
				23.90		**9.00**
	Total			**27.60**		**12.70**
	Total (9+10)			**198.11**		**167.30**
	Aggregate value of unquoted investments			**198.11**		**167.30**

Notes:

a) Refer Note 56 for information about fair value measurement and Note 57 for credit risk and market risk of investments.

b) Denotes amount less than ₹ 50,000.

c) This company is under liquidation and the Group has fully provided for the investment value.

d) During the year, the Company has subscribed 787,500 equity shares in Avaada MHBuldhana Private Limited (Avaada) representing 0.90% holding for a total consideration of ₹ 0.79 crore. The Avaada has set up a solar power plant in the State of Maharashtra of which the Company's Panvel plant would be one of the consumer.

e) During the year, the Company and its subsidiary, ACC Limited (ACC) has subscribed 3,075,791 and 8,023,803 equity shares in Solbridge Energy Private Limited (Solbridge) representing 26.37% holding for a total consideration of ₹ 14.11 crore. The Solbridge has set up a solar power plant in the State of Chhattisgarh of which the Company's Bhatapara plant and ACC's Jamul would be one of the consumer.

f) During the previous year, the Company and its subsidiary, ACC Limited (ACC) has subscribed 2,578,592 equity shares each, in Amplus Green Power Private Limited (AGPPL) representing 11.25% holding for a total consideration of ₹ 9.00 crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Dadri plant and ACC's Tikaria would be one of the consumer.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 - GROUP INFORMATION

The consolidated financial statements comprise the financial statements of the members of the Group as under:

Sr	Name of the Company	Principal activities	Country of Incorporation	Proportion of ownership interest (effective holding)	
				As at 31st December 2021	As at 31st December 2020
1	**Direct and Indirect Subsidiaries**				
	M.G.T Cements Private Limited	Cement and cement related products	India	100.00%	100.00%
	Chemical Limes Mundwa Private Limited	Cement and cement related products	India	100.00%	100.00%
	Dang Cement Industries Private Limited	Cement and cement related products	Nepal	91.63%	91.63%
	Dirk India Private Limited	Cement and cement related products	India	100.00%	100.00%
	ACC Limited	Cement and cement related products	India	50.05%	50.05%
	OneIndia BSC Private Limited (Refer Note (b) below)	Shared Services	India	75.03%	75.03%
2	**Subsidiaries of ACC Limited**				
	Bulk Cement Corporation (India) Limited (BCCI)	Cement and cement related products	India	47.37%	47.37%
	ACC Mineral Resources Limited	Cement and cement related products	India	50.05%	50.05%
	Lucky Minmat Limited (Refer Note 64 (d))	Cement and cement related products	India	50.05%	50.05%
	Singhania Minerals Private Limited	Cement and cement related products	India	50.05%	50.05%
3	**Associates of ACC Limited**				
	Alcon Cement Company Private Limited	Cement and cement related products	India	20.02%	20.02%
	Asian Concretes and Cements Private Limited	Cement and cement related products	India	22.52%	22.52%
4	**Joint Venture**				
	Counto Microfine Products Private Limited	Cement and cement related products	India	50.00%	50.00%
5	**Joint Venture of ACC Limited**				
	Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	20.02%	20.02%
6	**Joint Operation**				
	Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	27.27%	27.27%
7	**Joint Operations of ACC Limited**				
	MP AMRL (Semaria) Coal Company Limited	Cement and cement related products	India	24.52%	24.52%
	MP AMRL (Bicharpur) Coal Company Limited	Cement and cement related products	India	24.52%	24.52%
	MP AMRL (Marki Barka) Coal Company Limited	Cement and cement related products	India	24.52%	24.52%
	MP AMRL (Morga) Coal Company Limited	Cement and cement related products	India	24.52%	24.52%

Notes:

a) The financial statements of the above companies are drawn upto the same reporting date as that of the Company.

b) The Group's investment in equity shares of OneIndia BSC Private Limited (BSC), engaged in business shared services, is ₹ 5.00 crore (31st December 2020 ₹ 5.00 crore). The service agreement with BSC is expired and the same is not renewed. Accordingly, the financial statements of BSC for the year ended 31st December 2021 have not been prepared on a "Going Concern" basis. The Group has assessed that investment in BSC is fully recoverable and no impairment is necessary considering positive net worth of ₹ 13.34 crore and net current assets ₹ 10.59 crore as at 31st December 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - NON-CURRENT LOANS

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Loans to employees	7.60	8.53
Loans and advances	3.96	3.92
	11.56	**12.45**
Unsecured loans which have significant increase in credit risk		
Loans and advances	28.09	28.03
Less : allowances for doubtful loans / deposits	28.09	28.03
	-	-
Total	**11.56**	**12.45**

Notes:

a) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

b) No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

c) Refer Note 57 (B) for information about credit risk.

NOTE 13 - OTHER NON-CURRENT FINANCIAL ASSETS

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Security deposit	219.30	199.83
Incentives receivable under Government schemes (Refer Note 57 (B))	929.40	1,088.53
Bank deposits with more than 12 months maturity (Refer Note (a) below)	84.92	82.13
Margin money deposit with more than 12 months maturity (Refer Note (b) below)	14.53	8.25
Others (includes interest accrued on fixed deposits)	6.97	5.18
Total	**1,255.12**	**1,383.92**

Notes:

a) Include fixed deposits of ₹ 10.88 crore (31st December 2020 - ₹ 41.84 crore) given as security against bank guarantees and ₹ 31.99 crore (31st December 2020 - ₹ 40.04 crore) given as security to regulatory authorities.

b) Margin money deposit is against bank guarantees given to government authorities.

c) Refer Note 57 (B) for information about credit risk of other financial assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 - OTHER NON-CURRENT ASSETS

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Capital advances	423.39	604.99
Advances other than capital advances		
Deposit against government dues / liabilities	443.60	458.27
Prepayments under leases	-	0.33
Advances recoverable other than in cash	29.30	48.35
Other claims receivable from Governments	245.07	229.24
	1,141.36	**1,341.18**
Unsecured, considered doubtful		
Capital advances	4.70	5.83
Advances recoverable other than in cash	0.85	0.89
Incentives receivable under government incentive schemes and other receivables	36.05	36.05
Deposit against government dues / liabilities	3.33	3.33
	44.93	**46.10**
Less : allowances for doubtful receivables	44.93	46.10
	-	**-**
Total	**1,141.36**	**1,341.18**

Notes:

a) No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 57 (B) for information about credit risk of other receivables.

NOTE 15 - INVENTORIES

At lower of cost and net realisable value (Refer Note 3 (F) for accounting policy on inventories)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Raw materials (including in transit - ₹ 9.35 crore; 31st December 2020 - ₹ 2.80 crore)	245.39	176.82
Work-in-progress	784.73	351.76
Finished goods	238.21	183.29
Captive coal	87.52	19.87
Stock in trade (in respect of goods acquired for trading) - Nil ; 31st December 2020 - ₹ 4.37 crore)	18.70	16.66
Stores & spares (including in transit - ₹ 17.76 crore; 31st December 2020 - ₹ 16.91 crore)	404.48	453.68
Coal and fuel (including in transit - ₹ 115.49 crore; 31st December 2020 - ₹ 10.94 crore)	881.94	395.86
Packing materials	76.19	50.64
Others	0.88	-
Total	**2,738.04**	**1,648.58**

Notes:

a) The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is amounting to ₹ 29.88 crore (31st December 2020 - ₹ 25.34 crore).

b) No inventories have been pledged as security for liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - TRADE RECEIVABLES

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Secured, considered good	78.22	91.67
Unsecured, considered good	567.61	469.46
Unsecured which have significant increase in credit risk	81.45	91.40
	727.28	**652.53**
Less : allowance for doubtful trade receivables	81.45	91.40
Total	**645.83**	**561.13**

Notes:

a) No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 55 for receivables from related parties.

c) Refer Note 57 (B) for information about credit risk of trade receivables.

NOTE 17 - CASH AND CASH EQUIVALENTS

(Refer Note 3 (V) for accounting policy on cash and cash equivalents)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balances with banks		
In current accounts	208.60	173.12
Deposit with original maturity upto 3 months	10,041.35	7,258.49
	10,249.95	**7,431.61**
Deposit with other than banks with original maturity of upto 3 months	250.00	450.00
Post office saving accounts	0.01	0.01
	250.01	**450.01**
Investments in liquid mutual funds measured at FVTPL	858.53	689.94
Total	**11,358.49**	**8,571.56**

Note:

a) Refer Note 57 (B) for information about market risk.

NOTE 18 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Earmarked balances with banks (Refer Note (a) below)	52.55	60.78
Margin money deposit (Refer Note (b) below)	1.31	-
Fixed deposit with banks (original maturity more than 3 months and upto 12 months) (Refer Note (c) below)	281.94	303.29
Total	**335.80**	**364.07**

Notes:

a) These balances represent unpaid dividend liabilities of the Company and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile Ambuja Cements Rajasthan Limited (merged with the Company) not available for use by the Company.

b) Margin money deposit is against bank guarantees given to Government authorities.

c) Including fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 265.40 crore including interest there on (31st December 2020 - ₹ 257.05 crore), (Refer Note 50(b)(i)) and other deposits amounting Nil (31st December 2020 - ₹ 25.00 crore) given as security against bank guarantees and ₹ 16.05 crore (31st December 2020 - ₹ 20.77 crore) given as security to regulatory authorities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 19 - CURRENT LOANS

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Unsecured, considered good (includes loans to employees)	9.91	8.85
Total	**9.91**	**8.85**

Notes:

a) No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 57 (B) for information about credit risk of loans.

NOTE 20 - OTHER CURRENT FINANCIAL ASSETS

(Refer Note 3 (L) (I) for accounting policy on financial assets)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Security deposits	57.74	53.21
Incentives receivable under government incentive schemes	336.63	289.16
Interest accrued on fixed deposit, certificate of deposits and others	4.45	5.43
Interest accrued on investment	13.61	8.29
Deposits with banks with original maturity of more than 12 months (Refer Note (a) below)	18.50	1.08
Other receivables	43.32	42.39
	474.25	**399.56**
Unsecured which have significant increase in credit risk		
Other receivables	12.03	12.14
Less : allowance for doubtful other receivable	12.03	12.14
	-	-
Total	**474.25**	**399.56**

Notes:

a) Deposits of ₹ 9.25 crore (31st December 2020 - ₹ 1.08 crore) given as security to regulatory authorities.

b) Refer Note 57 (B) for information about credit risk of other financials assets.

NOTE 21 - OTHER CURRENT ASSETS

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Unsecured, considered good		
Advances other than capital advances (Refer Note (a) below)		
Advances	552.81	399.39
Balances with statutory / government authorities	781.09	633.82
Prepaid expenses	77.51	82.97
Others	23.25	37.51
	1,434.66	**1,153.69**
Unsecured, which have significant increase in credit risk		
Other receivables	17.88	17.88
Less : allowance for doubtful receivables	17.88	17.88
	-	-
Total	**1,434.66**	**1,153.69**

Notes:

a) No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no advances are due from firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 57 (B) for information about credit risk of other receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 - NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(Refer Note 3 (Q) for accounting policy on Non-current assets held for sale)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Investment in subsidiary held for sale (Refer Note (a) below)	23.11	23.22
Plant and equipment (Refer Note (b) and (c) below)	1.28	1.76
Building (Refer Note (b) and (c) below)	1.05	1.15
Total	**25.44**	**26.13**

Notes:

a) The Group has entered into share purchase agreement for sale of its entire investment in Dang Cement Industries Private Limited, a subsidiary company, subject to fulfillment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment such conditions, all of it's assets have been classified as held for sale.

b) The Group intends to dispose off plant and equipment and Building in the next 12 months which it no longer intends to utilise. A selection of potential buyers is underway.

c) During the year, the Group has sold a flat for ₹ 4.25 crore (Book Value ₹ 0.32 crore) which was classified as held for sale. The resultant gain of ₹ 3.93 crore has been disclosed in the Consolidated Statement of Profit and Loss under Other Income.

NOTE 23 - EQUITY SHARE CAPITAL

(Refer Note 3 (L) (II) (a) for accounting policy on equity instruments)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Authorised		
40,000,000,000 (31st December 2020 - 40,000,000,000) Equity shares of ₹ 2 each	8,000.00	8,000.00
150,000,000 (31st December 2020 - 150,000,000) Preference shares of ₹ 10 each	150.00	150.00
Total	**8,150.00**	**8,150.00**
Issued		
1,985,971,749 (31st December 2020 - 1,985,971,749) Equity shares of ₹ 2 each fully paid-up	**397.19**	**397.19**
Subscribed and paid-up		
1,985,645,229 (31st December 2020 - 1,985,645,229) Equity shares of ₹ 2 each fully paid-up	**397.13**	**397.13**

Notes:

a) Reconciliation of equity shares outstanding

Particulars	As at 31st December 2021		As at 31st December 2020	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	1,985,645,229	397.13	1,985,645,229	397.13
Changes during the year	-	-	-	-
At the end of the year	**1,985,645,229**	**397.13**	**1,985,645,229**	**397.13**

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23 - EQUITY SHARE CAPITAL (CONTD.....)

c) Equity shares held by holding company / ultimate holding company and / or their subsidiaries

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Holderind Investments Limited, Mauritius - holding company (a subsidiary of Holcim Limited (Erstwhile LafargeHolcim Limited), Switzerland, the ultimate holding company)		
1,253,156,361 (31st December 2020 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up	250.63	250.63

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

Particulars	As at 31st December 2021		As at 31st December 2020	
	No. of shares	% holding	No. of shares	% holding
Holderind Investments Limited, Mauritius	1,253,156,361	63.11%	1,253,156,361	63.11%

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

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into 186,690 (31st December 2020 - 186,690) and 139,830 (31st December 2020 - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

f) Aggregate no. of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company in August 2016, 584,417,928 equity shares were allotted as fully paid up to the equity shareholders of HIPL, without payment being received in cash.

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

NOTE 24 - CAPITAL MANAGEMENT

a) The Group's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework.

b) The management of the Group reviews the capital structure of the Group on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

c) The Group generally meets its capital requirement through internal accruals. The borrowings as appearing in the Notes 27 and 36 represents Interest Free Loan from State Government considered as Government grant. The Group is not subject to any externally imposed capital requirements.

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Total debt (including current maturities of borrowings) (Refer Notes 27 and 36)	46.94	43.60
Less : Cash and cash equivalents (Refer Note 17)	11,358.49	8,571.56
Net debt	(11,311.55)	(8,527.96)
Total equity	32,498.77	29,098.49
Net Debt to Equity	Nil	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 - DIVIDEND DISTRIBUTION MADE AND PROPOSED

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
A) Dividend paid on equity shares		
i) Final dividend for the year ended 31st December 2020 ₹ 1.00 per share (31st December 2019 - Nil)	198.56	-
ii) Interim dividend ₹ 1.50 per share (Refer Note (b) below)	-	297.85
iii) Interim dividend for the year ended 31st December 2020 ₹ 17 per share	-	3,375.60
Total	**198.56**	**3,673.45**
B) Dividend proposed on equity shares		
Final dividend for the year ended 31st December 2021 ₹ 6.30 per share (31st December 2020 - ₹ 1.00 per share) (Refer Note (a))	1,250.96	198.56
Total	**1,250.96**	**198.56**

Notes:

a) Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability.

b) Due to COVID-19 pandemic there was a delay in conducting Annual General Meeting and consequent delay in payment of final dividend. The Board of Directors revoked the recommendation for payment of final dividend for the year ended 31st December 2019 and declared an interim dividend for the financial year ended 31st December 2019 at ₹ 1.50 per share in the Board Meeting held on 12th May 2020.

NOTE 26 - OTHER EQUITY

(Refer the Consolidated Statement of Changes in Equity for detailed movement in other equity balances)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Reserve and surplus (nature and purpose of each reserve is given in notes below)		
a) Capital reserve	130.71	130.71
b) Securities premium account	12,471.16	12,471.16
c) General reserve	5,814.49	5,814.49
d) Capital redemption reserve	9.93	9.93
e) Subsidies	5.02	5.02
f) Capital contribution from parent	9.10	3.18
g) Retained earnings	6,516.20	3,925.98
Total	**24,956.61**	**22,360.47**

Nature and purpose of each reserve :

a) **Capital reserve**

This reserve has been transferred to the Group in the course of business combinations and can be utilised in accordance with the provisions of the Companies Act, 2013.

b) **Securities premium**

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

c) **General reserve**

The Group created a general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 26 - OTHER EQUITY (CONTD.....)

d) **Capital redemption reserve**

Capital redemption reserve was created by transferring from retained earnings. In the year ended 30th June 2005, part of the amount was used for issue of bonus shares. The balance will be utilised in accordance with the provisions of the Companies Act, 2013.

e) **Subsidies**

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

f) **Capital contribution from parent**

Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by parent company "Holcim Limited" to the employees of the Group. The share based payment reserve is used to recognise the value of equity settled Share based payments provided to executives and senior management.

g) **Retained earnings**

Retained earnings are the profits that Group has earned till date, less transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to the Consolidated Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.

NOTE 27 - NON-CURRENT BORROWINGS

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Secured		
Interest free loan from State Government (Refer Notes (a) below)	43.50	43.60
Total	**43.50**	**43.60**

Notes:

a) Interest free loan from State Government granted under State investment promotion scheme has been considered as a Government grant. This is secured by bank guarantees (majorly backed by pledge of bank fixed deposits). Each loan repayable in single installment, starting from August 2022 to January 2027 of varying amounts ranging from ₹ 3.59 crore to ₹ 13.39 crore. During the previous year, the Company has paid one of the installment of ₹ 5.86 crore due in February 2020. Next installment is due in August 2022.

NOTE 28 - LEASE LIABILITY

(Refer Note 3 (T) for accounting policy on leases)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Lease liability (Refer Note 54)	362.52	380.62
Total	**362.52**	**380.62**

NOTE 29 - OTHER NON-CURRENT FINANCIAL LIABILITIES

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Liability for capital expenditure	0.13	0.13
Total	**0.13**	**0.13**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 30 - NON-CURRENT PROVISIONS

(Refer Note 3 (M) (I) and 3 (P) for accounting policy on provisions and retirement and other employee benefits)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Provision for gratuity and other staff benefit schemes (Refer Note 53)	178.76	177.96
Long service award and other benefit plans	4.94	5.77
Provision for mines reclamation expenses (Refer Note (a) below)	97.84	87.68
Total	**281.54**	**271.41**

Note:

a) Mines reclamation expenses are incurred on an ongoing basis until the respective mines are not fully restored, in accordance with the requirements of the mining agreement. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses. Movement of provisions during the year is as under :

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Opening balance	87.68	67.12
Add : Provision during the year	7.87	17.91
	95.55	**85.03**
Add : Unwinding of discounting	3.66	2.84
Less : Provision utilised during the year	1.37	0.19
Closing Balance	**97.84**	**87.68**

NOTE 31 - DEFERRED TAX LIABILITIES (NET)

(Refer Note 3 (S) (II) for accounting policy on deferred tax)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Deferred tax liabilities, on account of		
Depreciation and amortisation	1,057.45	1,022.69
Undistributed profits of subsidiaries, joint venture and associates	164.64	55.88
	1,222.09	**1,078.57**
Deferred tax assets, on account of		
Provision for employee benefits	70.47	61.09
Provision for slow and non-moving spares	26.03	20.23
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	122.12	132.13
Expected credit loss on incentives receivable from government	32.45	32.45
Others	214.83	206.67
	465.90	**452.57**
Deferred tax liabilities / (assets) (net)	**756.19**	**626.00**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 - DEFERRED TAX LIABILITIES (NET) (CONTD.....)

The major components of deferred tax liabilities / assets on account of timing differences are as follows:

Particulars	As at 1st January 2021	Charge / (Credit) to the Consolidated Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at 31st December 2021
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	1,022.69	34.76	-	1,057.45
Undistributed profits of subsidiaries, joint venture and associates	55.88	108.76	-	164.64
	1,078.57	**143.52**	**-**	**1,222.09**
Deferred tax assets, on account of				
Provision for employee benefits	61.09	13.13	(3.75)	70.47
Provision for slow and non moving spares	20.23	5.80	-	26.03
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	132.13	(10.01)	-	122.12
Expected credit loss on incentives receivable from government	32.45	-	-	32.45
Others	206.67	8.16	-	214.83
	452.57	**17.08**	**(3.75)**	**465.90**
Deferred tax liabilities / (assets) (net)	**626.00**	**126.44**	**3.75**	**756.19**
Deferred tax assets (net)	**2.91**	**-**	**-**	**2.91**

Particulars	As at 1st January 2020	Charge / (Credit) to the Consolidated Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As at 31st December 2020
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	1,360.95	(338.26)	-	1,022.69
Undistributed profits of subsidiaries, joint venture and associates	70.33	(14.45)	-	55.88
	1,431.28	**(352.71)**	**-**	**1,078.57**
Deferred tax assets, on account of				
Provision for employee benefits	113.73	(46.46)	(6.18)	61.09
Provision for slow and non moving spares	18.61	1.62	-	20.23
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	153.00	(20.87)	-	132.13
Expected credit loss on incentives receivable from government	-	32.45	-	32.45
Others	209.21	(2.54)	-	206.67
	494.55	**(35.80)**	**(6.18)**	**452.57**
Deferred tax liabilities / (assets) (net)	**936.73**	**(316.91)**	**6.18**	**626.00**
Deferred tax assets (net)	**4.16**	**(1.25)**	**-**	**2.91**

Notes:

a) The Group has not recognised deferred tax liability on undistributed earnings in subsidiaries to the extent of ₹ 12,731.57 crore (31st December 2020 - ₹ 11,408.00 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.

b) The Group has long term capital losses and business losses including unabsorbed depreciation of ₹ 37.17 crore (31st December 2020 - ₹ 36.10 crore) for which no deferred tax assets have been recognised. A part of these losses will expire between financial years 2021-22 to 2028-29.

c) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 32 - RECONCILIATION OF TAX EXPENSE AND THE PROFIT MULTIPLIED BY INCOME TAX RATE

Particulars	For the year ended 31st December 2021		For the year ended 31st December 2020	
	₹ in crore	In %	₹ in crore	In %
Profit before share of profit of associates and joint ventures and tax expenses	5,144.24		3,977.15	
Tax expenses at statutory income tax rate (Refer Note (a) below)	1,295.10	25.17%	1,048.77	26.37%
Effect of non deductible expenses	49.27	0.96%	31.55	0.79%
Effect of allowances / tax holidays for tax purpose	(0.39)	-0.01%	(15.75)	-0.40%
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	-	-	(189.61)	-4.76%
Effect of change in tax rate on deferred tax	-	-	(2.87)	-0.07%
Effect of undistributed earnings of subsidiary and joint venture	105.44	2.05%	(19.69)	-0.50%
Others	4.01	0.08%	32.35	0.82%
Tax expenses at the effective income tax rate	**1,453.43**	**28.25%**	**884.75**	**22.25%**
Tax expense reported in the Consolidated Statement Profit and Loss	**1,453.43**	**28.25%**	**884.75**	**22.25%**

Notes:

a) Group follows calender year as financial year, therefore applicable statutory income tax rate is weighted average rate. The tax rate used for above reconciliation is the Corporate tax rate payable by Corporate entities in India on taxable profits under Indian tax law.

b) The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. ACC Limited, a subsidiary of the Company has adopted the reduced rate and accordingly, opening net deferred tax liability as on 1st January 2020 amounting to ₹ 179.57 crore has been reversed (net of reversal of deferred tax assets of ₹ 10.04 crore in Other Comprehensive Income) during the year ended 31st December 2020.

NOTE 33 - OTHER NON CURRENT LIABILITIES

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Rebate to customers	36.74	40.05
Total	**36.74**	**40.05**

NOTE 34 - TOTAL OUTSTANDING DUES OF MICRO AND SMALL ENTERPRISES

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Details of due to Micro and Small Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Group regarding the status of the suppliers (Refer Note (a) below).			
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal	34.85	8.71
	Interest	0.30	0.05
		35.15	**8.76**
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	25.79	16.35
	Interest	0.13	0.08
c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	0.03	0.01
d)	The amount of interest accrued and remaining unpaid at the end of the year	0.12	0.06
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note:

a) Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 35 - LEASE LIABILITY

(Refer Note 3 (T) for accounting policy on leases)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Current portion of lease liability (Refer Note 54)	67.11	46.38
Total	**67.11**	**46.38**

NOTE 36 - OTHER CURRENT FINANCIAL LIABILITIES

(Refer Note 3 (L) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Financial Liabilities at amortised cost		
Security deposit from dealers	1,293.24	1,292.30
Liability for capital expenditure	405.03	204.34
Unpaid dividends (Refer Note (a) below)	50.05	58.28
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACRL	2.50	2.50
Current maturities of borrowings (Refer Note 27)	3.44	-
Others (includes interest on security deposits)	251.34	188.94
Financial Liabilities at fair value		
Foreign currency forward contract	3.26	1.32
Total	**2,008.86**	**1,747.68**

Note:

a) Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Group.

NOTE 37 - OTHER CURRENT LIABILITIES

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Contract liability (Refer Note (a) below)		
Advance received from customers	394.53	279.14
Other liabilities		
Statutory dues	1,302.82	1,110.93
Rebates to customers	1,007.05	919.43
Other payables (includes interest on income tax)	1,601.47	1,601.40
Total	**4,305.87**	**3,910.90**

Note:

a) The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st December 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 38 - CURRENT PROVISIONS

(Refer Note 3 (P) for accounting policy on retirement and other employee benefits)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Provision for gratuity and staff benefit schemes (Refer Note 53)	11.60	8.86
Long service award and other benefit plans	0.94	0.90
Provision for compensated absences (Refer Note (a) below)	12.10	11.38
Total	**24.64**	**21.14**

Note:

a) Liability towards provision for compensated absences is funded. Above liability is to the extent of unfunded amount.

NOTE 39 - REVENUE FROM OPERATIONS

(Refer Note 3 (O) (I) for accounting policy on revenue recognition and 3 (W) for accounting policy on government grants and subsidies)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Revenue from contracts with customers		
Sale of manufactured products	27,890.95	23,557.86
Sale of traded products	653.79	526.44
Income from services rendered	3.34	9.56
	28,548.08	**24,093.86**
Other operating revenues		
Provisions no longer required written back	18.53	11.86
Sale of scrap	129.60	74.05
Incentives and subsidies (Refer Note (f) below)	157.93	210.23
Miscellaneous income (includes insurance claims and others) (Refer Note (f) below)	111.32	126.17
Total	**28,965.46**	**24,516.17**

Notes:

a) Reconciliation of revenue as per contract price and as recognised in the Consolidated Statement of Profit and Loss :

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Revenue as per contract price	32,890.14	27,222.16
Less: Discounts and incentives	4,342.06	3,128.30
Revenue as per the Consolidated Statement of Profit and Loss	**28,548.08**	**24,093.86**

b) The amounts receivable from customers become due after expiry of credit period which on an average is 30 days. There is no significant financing component in any transaction with the customers.

c) The Group does not provide performance warranty for products, therefore there is no liability towards performance warranty.

d) The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

e) Disaggregation of revenue:

Refer Note 58 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

NOTE 39 - REVENUE FROM OPERATIONS (CONTD.....)

f) Government grants recognized in the Consolidated Statement of Profit and Loss

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Incentives and subsidies (Refer Note (g) below)	157.93	210.23
Discounting income on interest free loan from State Government included in miscellaneous income above	-	3.25
Total	**157.93**	**213.48**

g) Accrued for the GST refund claim, under various incentive schemes of State and Central Government. There are no unfulfilled conditions or contingencies attached to these grants.

NOTE 40 - OTHER INCOME

(Refer Note 3 (O) (II) and (III) for accounting policy on interest income and dividends)

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Interest income on		
Bank deposits at effective interest rate method	284.45	372.09
Income tax refund	12.79	18.41
Defined benefit obligation (net) (Refer Note 53)	0.15	-
Others	7.01	11.06
	304.40	**401.56**
Other non operating income		
Gain on sale of current financial assets measured at FVTPL	17.80	26.65
Net gain on fair valuation of liquid mutual fund measured at FVTPL (Refer Note (a) below)	0.37	0.47
Interest on income tax write back	29.22	5.77
Gain on sale of investment in subsidiary company	-	12.91
Others	0.65	2.23
Total	**352.44**	**449.59**

Notes:

a) These instruments are measured at fair value through profit or loss in accordance with Ind AS 109

b) Refer Note 56 (B) for information about fair value measurement.

NOTE 41 - COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Inventories at the beginning of the year	178.72	172.87
Add : Purchases during the year	3,250.08	2,536.82
	3,428.80	**2,709.69**
Less : Inventories at the end of the year	245.39	176.82
Cost of materials consumed (Refer Note (a) and (b) below)	**3,183.41**	**2,532.87**

Notes:

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
a) Break-up of cost of materials consumed		
Fly ash	977.40	756.86
Gypsum	563.78	462.74
Slag	358.50	288.05
Others (Refer Note (b) below)	1,283.73	1,025.22
Total	**3,183.41**	**2,532.87**

b) Includes no item which in value individually accounts for 10 % or more of the total value of materials consumed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 42 - PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Cement	249.88	289.73
Ready mix concrete	2.84	3.52
Solution and Products	56.49	41.67
Total	**309.21**	**334.92**

NOTE 43 - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN TRADE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Inventories at the end of the year		
Work-in-progress	784.73	351.76
Finished goods	238.21	183.29
Stock-in-trade	18.70	16.66
Captive coal	87.52	19.87
	1,129.16	**571.58**
Inventories at the beginning of the year		
Work-in-progress	351.76	452.05
Finished goods	183.29	335.72
Stock-in-trade	16.66	9.36
Captive coal	19.87	31.26
	571.58	**828.39**
Less : Transfer on sale of subsidiary company	-	0.36
Add : Trial run stocks, at the commencement of commercial production at Marwar plant	27.24	-
	598.82	**828.03**
(Increase) / decrease in inventories	**(530.34)**	**256.45**

NOTE 44 - EMPLOYEE BENEFIT EXPENSE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Salaries and wages	1,317.26	1,348.77
Contribution to provident and other funds	118.13	114.55
Employee stock option expenses (Refer Note 65)	8.01	3.66
Staff welfare expenses	85.75	73.42
Total	**1,529.15**	**1,540.40**

NOTE 45 - FINANCE COSTS

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Interest on		
Income tax (net of interest income on refund - ₹ 15.50 crore; previous year - ₹ 61.84 crore)	28.45	22.86
Defined benefit obligation (net) (Refer Note 53)	9.01	14.49
Security deposit	29.67	32.48
Others	46.94	37.75
	114.07	**107.58**
Unwinding of financial liabilities	3.34	3.19
Unwinding of interest on lease liability (Refer Note (a) below)	24.59	26.61
Unwinding of mines reclamation provision (Refer Note 30)	3.66	2.84
Total	**145.66**	**140.22**

Notes:

a) On adoption of Ind AS 116 Leases, the Group has recognised Right-of-use assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

b) Refer Note 56 (B) for information about fair value measurement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 46 - DEPRECIATION AND AMORTISATION EXPENSE

(Refer Note 3 (B) and 3 (D) for accounting policy on depreciation and amortisation)

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Depreciation on property, plant and equipment (Refer Note 4)	1,073.98	1,094.78
Less : Pre-operative charge during the year (Refer Note 8)	0.07	5.18
	1,073.91	**1,089.60**
Depreciation on Right-of-use assets (Refer Note 5)	62.08	62.78
Amortisation of intangible assets (Refer Note 7)	16.50	9.40
Total	**1,152.49**	**1,161.78**

NOTE 47 - FREIGHT AND FORWARDING EXPENSE

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
On finished products	5,680.20	5,082.52
On internal material transfer	1,452.70	1,189.02
Total	**7,132.90**	**6,271.54**

NOTE 48 - OTHER EXPENSES

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Royalty on minerals	557.43	471.15
Consumption of stores and spare parts	552.61	450.71
Consumption of packing materials	1,053.39	731.45
Repairs	351.09	279.98
Rent (Refer Note 54)	169.58	136.62
Rates and taxes	206.13	169.83
Insurance	77.41	51.68
Technology and know-how fees	285.76	240.65
Advertisement	175.62	120.51
Corporate Social Responsibility (Refer Note (a) below)	99.97	84.64
Expected credit loss on Incentives under Government schemes (Refer Note 57 (B))	-	128.92
Loss on account of exchange rate difference (net)	9.88	11.68
Impairment losses on financial assets (including reversals of impairment losses)	(10.87)	37.34
Miscellaneous expenses (Refer Note (b) below)	859.84	853.76
Total	**4,387.84**	**3,768.92**

Notes:

a) Includes ₹ 35.95 crore (previous year ₹ 32.33 crore) expenses incurred by ACC Limited, a subsidiary company.

b) Miscellaneous expenses :

i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

ii) Includes expenses towards information technology, travelling, consultancy, site restoration, outsource services and others.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 49 - EARNINGS PER SHARE (EPS)

(Refer Note 3 (X) for accounting policy on earnings per share)

a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

c) Calculation of the basic and diluted EPS :

	Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
i)	Profit attributable to equity shareholders of the Company for basic and diluted EPS (₹ in crore)	2,780.38	2,365.44
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	319,824	315,403
iii)	Weighted average number of shares for diluted EPS	1,985,965,053	1,985,960,632
iv)	Earnings per equity share (in ₹)		
	Face value of equity per share	2.00	2.00
	Basic	14.00	11.91
	Diluted	14.00	11.91

NOTE 50 - CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

(Refer Note 3 (M) (II) for accounting policy on contingent liability)

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Contingent liabilities and claims against the group not acknowledged as debts related to various matters (Refer Note (a) below)		
Labour	8.87	11.15
Land	22.37	50.68
Demand from Competition Commission of India (Refer Note (b) below)	3,776.40	3,517.59
Sales tax (Refer Note (c) below)	291.51	303.45
Excise customs and service tax (Refer Note (d) below)	381.51	376.80
Stamp duty (Refer Note (e) below)	310.34	305.88
Income tax (Refer Note (f) below)	1,090.82	1,093.23
Others (including claim for Mining Lease, Refer Note (g) below and 63)	434.11	410.09
	6,315.93	**6,068.87**

Notes:

a) i) In respect of above matters, future cash outflows are determinable only on receipt of judgements / decisions pending at various forums / authorities.

ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

iii) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 50 - CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (CONTD.....)

b) **Demand from Competition Commission of India**

i) In 2012, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crore on the Company and ₹ 1,147.59 crore on its subsidiary ACC Limited, aggregating to ₹ 2,311.50 crore, concerning alleged contravention of the provisions of the Competition Act, 2002. On appeal by the Company and ACC Limited, the Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August 2016, imposed penalty of ₹ 1,163.91 crore on the Company and ₹ 1,147.59 crore on ACC Limited, aggregating to ₹ 2,311.50 crore. The Company and ACC Limited filed appeals against the said Order before the COMPAT. The COMPAT, vide its interim order dated 21st November 2016 has stayed the penalty with a condition to deposit 10% of the penalty amount, in the form of fixed deposit (the said condition has been complied with) and levy of interest of 12% p.a., in case the appeal is decided against the appellant. Meanwhile, pursuant to the notification issued by Central Government on 26th May 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT).

NCLAT, vide its Order dated 25th July 2018, dismissed the appeal filed by the Company and ACC Limited and upheld the CCI's order. Against this, the Company and ACC Limited appealed to the Hon'ble Supreme Court, which by its order dated 5th October 2018 admitted the appeal and directed to continue the interim order passed by the Tribunal, in the meantime.

ii) In a separate matter, pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI by its Order dated 19th January 2017 had imposed penalty of ₹ 29.84 crore on the Company and ₹ 35.32 crore on ACC Limited, aggregating to ₹ 65.16 crore. On appeal by Company and ACC Limited, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company and ACC Limited believe they have good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the matter has been disclosed as contingent liability along with interest of ₹ 1,399.74 crore (31st December 2020 - ₹ 1,140.93 crore).

c) **Sales tax matter includes :**

A matter relating to 75% exemption from sales tax granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company.

In year 2014, pursuant to the unfavourable decision of the Hon'ble Supreme Court in that similar matter, the sales tax department initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case decision of the Hon'ble Supreme Court goes against in this matter.

Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore the Company deposited ₹ 143.52 crore, including interest of ₹ 30 crore, towards sales tax under protest and filed a Special Leave Petition in the Hon'ble Supreme Court with one of the grounds that the tax exemption was availed by virtue of the order passed by the Board for Industrial and Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

d) **Excise, customs and service tax includes :**

A matter wherein service tax department issued show cause notices for denial of cenvat credit with regard to service tax paid on outward transportation for sale to customers on Freight On Road (F.O.R.) basis. The Group availed the credit based on legal provision and various judicial precedence. On the same matter of another cement company, the Hon'ble Supreme Court has allowed service tax credit, however, in another case of the same company, the Hon'ble Supreme Court has decided against the assessee. Considering conflicting decision and Central Board of Excise and Customs (CBIC) circular, based on legal opinion, the Group has treated the same as "possible". Accordingly, ₹ 291.00 crore (31st December 2020 - ₹ 287.44 crore) has been disclosed as contingent liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 50 - CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (CONTD.....)

e) **Stamp duty includes :**

A matter wherein the Collector of Stamps, Delhi vide its Order dated 7th August 2014, directed erstwhile Holcim (India) Private Limited (HIPL), (merged with the Company), to pay stamp duty (including penalty) of ₹ 287.88 crore (31st December 2020 - ₹ 287.88 crore) on the merger order passed by Hon'ble High Court of Delhi, approving the merger of erstwhile Ambuja Cement India Limited with HIPL. HIPL had filed a writ petition and the Hon'ble High Court of Delhi granted an interim stay. Based on the advice of external legal counsel, the Company believes that it has good grounds for success in writ petition. Accordingly, no provision is considered necessary.

f) **Income tax includes :**

The Company and its subsidiary, ACC Limited, (ACC) were entitled to incentives from Government at its plant located in the states of Himachal Pradesh and Uttarakhand in respect of Income tax assessment years 2006-07 to 2015-16. Both the Companies contended that the said incentives are in the nature of capital receipts and hence not liable to income tax. The Income tax department had initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). Both the Companies had received one favourable order each from the assessing officer and one appellate order from the CIT-A, against which the department filed an appeal in the Income Tax Tribunal (ITAT). Considering unfavourable orders by the Income tax department the Group up to 31st December 2017 had classified the risk for these matters as probable and provided for the same.

In the year 2018, the CIT-A decided the matter in favour of both the Companies for two more years, against which the department filed an appeal in the ITAT.

In view of the series of repeated favourable orders by the Income tax department in the previous year, coupled with the fact, that ACC Limited a subsidiary company also received favourable orders, the Group again reviewed the matter and, after considering the legal merits of the Group's claim, including *inter-alia*, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Group's appeal by the CIT (A), as mentioned above, the Group reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the year 2018 in respect of excise incentives for two years. In the previous year, the ITAT had directed the Assessing Officer to re-examine and take final decision independently.

Pending final legal closure of this matter, income tax amount of ₹ 872.64 crore (31st December 2020 - ₹ 872.64 crore) along with interest payable of ₹ 214.99 crore (31st December 2020 - ₹ 214.99 crore) has been disclosed under contingent liabilities

g) **Claim for Mining Lease includes :**

ACC Limited, a subsidiary of the Company, has received demand notice dated 10th May 2013 from the Government of Tamil Nadu, and an Order dated 22nd August 2019 passed by the Collector, Coimbatore seeking Annual Compensation for the period from 1st April 1997 to 31st March 2014 and 1st April 2014 to 31st March 2019, amounting to ₹ 73.46 crore and ₹ 138.76 crore respectively for use of the Government land for mining, which land the Group occupies on the basis of the mining leases. Despite the Company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letters calling upon the company to pay compensation for use of Government land. Group has challenged the demands by way of Revision under the Mineral Concession Rules and in writ petitions before the Hon'ble High Court of Tamil Nadu at Chennai, and in a petition has obtained an order restraining the state from taking coercive steps.

Pending the same the High Court of Tamil Nadu in the group writ petitions of other cement manufacturers viz Dalmia Cements, Madras Cements & others has passed a judgment dated 20th November 2019 allowing annual compensation to be collected by the state under rule 72 of MCR in respect of Government Poramboke Land. The Group has filed a writ appeal against the Judgment dated 20th November 2019 passed in Dalmia Cements, Madras Cements & others.

One of the above Petition challenging the demand for the period 1st April 2014 to 31st March 2019, is disposed of against the Company by the High Court vide order dated 14th December 2021 in line with judgment dated 20th November 2019. The Company is in the process to file the Writ Appeal before the Divisional bench of High Court against this judgement.

The Group is of the view and has been advised legally, that the merits are strongly in its favour.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 51 - MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES REPORTED BY SUBSIDIARY AS "REMOTE"

a) ACC Limited, a subsidiary of the Company (ACC), having cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured at that plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the ACC to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 crore (previous year ₹ 82.37 crore) was raised. ACC filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Group believes its case is strong and the demand is unlikely to sustain under law.

b) ACC Limited, a subsidiary of the Company (ACC), had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. ACC had accrued sales tax incentives aggregating ₹ 56 crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹ 64.00 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 ACC's appeal. ACC believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. ACC has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, ACC filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

c) ACC Limited, a subsidiary of the Company (ACC), was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, ACC has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹ 7 crore representing part of the One Time Lumpsum capital subsidy claim of ₹ 15 crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the ACC. ACC had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected / raised by the Government.

   The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both ACC and the State Government, against a single bench order only partially allowing the ACC's claim, in its order dated 24th February 2015, allowed the ACC's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the ACC is correct and hence payable immediately.

   The Government of Jharkhand had filed an Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, ACC received only ₹ 64 crore out of total ₹ 235 crore in part disbursement from the Government of Jharkhand. ACC is pursuing the matter of disbursement of further amounts outstanding. The Group is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP shall be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

d) ACC Limited, a subsidiary of the Company (ACC), had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. ACC had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the ACC's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 crore (net of provision) (31st December 2020 - ₹ 56.66 crore), ACC is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 crore (31st December 2020 - ₹ 115.62 crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the ACC. ACC believes that the merits of the claims are strong and will be allowed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 51 - MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES REPORTED BY SUBSIDIARY AS “REMOTE” (CONTD.....)

e) ACC Limited, a subsidiary of the Company (ACC), is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme *inter-alia*, includes refund of royalty paid by ACC on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed ACC’s claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to ACC, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. ACC maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. ACC has accrued an amount of ₹ 133 crore (31st December 2020 - ₹ 133 crore) on this account. ACC has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. ACC is of the view and has been advised legally, that the merits are strongly in its favour.

f) ACC Limited, a subsidiary of the Company (ACC), was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period. ACC received demand from District Mining Officer for ₹ 881 crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On 2nd January 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein. ACC then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance. On 31 October 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting the ACC to commence mining operations after depositing ₹ 48 crore, being assessed value of materials dispatched between April 2014 to September 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by ACC.

ACC believes that the case shall not stand the test of judicial scrutiny basis the automatic renewal coupled with legal advice.

NOTE 52 - CAPITAL AND OTHER COMMITMENTS

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,464.98	1,918.15
Total	**1,464.98**	**1,918.15**

Note:

a) For commitments relating to lease arrangements, Refer Note 54.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53 - EMPLOYEE BENEFITS

(Refer Note 3 (P) for accounting policy on retirement and other employee benefits)

a) Defined contribution plans

Amount recognised and included in Note 44 “contribution to provident and other funds” (including contribution to provident fund trust referred in note (g) below) of the Consolidated Statement of Profit and Loss ₹ 43.48 crore (previous year - ₹ 44.97 crore).

b) Defined benefit plans - as per actuarial valuation

The Group has defined benefit gratuity, post employment medical benefit plans and trust managed provident fund plan as given below :

i) Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary) in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of qualifying insurance policies.

ii) Other non funded plans includes post employment healthcare to certain employees of ACC Limited a subsidiary. The same has been discontinued in the previous year.

iii) Every employee who has joined ACC Limited, a subsidiary before 1st December 2005 and separates from service of the Group on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

This plan is discontinued with effect from 30th April 2020 for all the eligible employees of management category and benefits accrued is disbursed to the employees.

c) Investment strategy

The gratuity and provident fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The trust has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Group of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Board of Gratuity trust and the Group review the level of funding including the asset-liability matching strategy and assessment of the investment risk and accordingly the Group decides its contribution.

i) **Investment risk :** As the plan assets include significant investments in quoted debt and equity instruments, the Group is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

ii) **Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will tend to increase.

iii) **Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria

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

v) **Longevity risk :** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53 - EMPLOYEE BENEFITS (CONTD.....)

d) Summary of the components of net benefit / expense recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the Consolidated Balance Sheet for the respective plans:

Particulars			2021		2020	
			Funded ₹ in crore	Non funded ₹ in crore	Funded ₹ in crore	Non funded ₹ in crore
I	**Components of expense recognised in the Consolidated Statement of Profit and Loss**					
	1	Current service Cost	27.66	9.00	25.51	9.47
	2	Interest cost	22.29	6.22	21.93	8.05
	3	Interest (income) on plan assets	(22.19)	-	(19.77)	-
	4	Loss on curtailment	-	-	-	1.48
	5	Gain on settlements	-	(10.34)	-	(9.31)
	6	Past service cost	-	-	-	-
	Total		**27.76**	**4.88**	**27.67**	**9.69**
II	**Amounts recognised in Other Comprehensive Income**					
	1	Demographic changes	(0.40)	-	(0.29)	-
	2	Change in financial assumptions	(12.29)	(3.88)	18.17	4.71
	3	Experience changes	(3.02)	2.15	3.43	(6.54)
	4	Return on plan assets (excluding interest income)	(1.72)	-	(6.78)	-
	Total		**(17.43)**	**(1.73)**	**14.53**	**(1.83)**
III	**Net asset / (liability) recognised in the Consolidated Balance Sheet**					
	1	Present value of defined benefit obligation	367.56	95.12	379.27	104.72
	2	Fair value of plan assets	355.26	-	370.12	-
	3	Funded status[surplus/(deficit)]	(12.30)	(95.12)	(9.15)	(104.72)
	4	Net asset/(liability)	(12.30)	(95.12)	(9.15)	(104.72)
IV	**Change in defined benefit obligation during the year**					
	1	Present value of defined benefit obligation at the beginning of the year	379.27	104.56	341.02	126.36
	2	Current service cost	27.66	9.00	25.51	9.47
	3	Interest service cost	22.29	6.22	21.93	8.05
	4	Employee Contributions	-	-	-	-
	5	Gain on settlements	-	(10.34)	-	(9.31)
	6	Actuarial (gains)/losses recognised in consolidated other comprehensive income:				
		- Demographic changes	(0.40)	-	(0.29)	-
		- Change in financial assumptions	(12.29)	(3.88)	18.17	4.71
		- Experience Changes	(3.02)	2.15	3.43	(6.54)
	7	Benefit payments	(45.95)	(11.29)	(30.50)	(29.66)
	8	Curtailment	-	-	-	1.48
	9	Net transfer in on account of business combinations / others	-	-	-	-
		Present value of defined benefit obligation	**367.56**	**96.42**	**379.27**	**104.56**
V	**Change in fair value of assets during the year**					
	1	Plan assets at the beginning of the year	370.12	-	302.45	-
	2	Interest income	22.19	-	19.77	-
	3	Contribution by employer	5.00	-	54.00	-
	4	Actual benefit paid	(43.77)	-	(12.88)	-
	5	Return on plan assets (excluding interest income)	1.72	-	6.78	-
	6	Plan assets at the end of the year	**355.26**	**-**	**370.12**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53 - EMPLOYEE BENEFITS (CONTD.....)

Particulars			2021		2020	
			Funded ₹ in crore	Non funded ₹ in crore	Funded ₹ in crore	Non funded ₹ in crore
VI	**Weighted average duration of defined benefit obligation**		10 years	10 to 10.20 years	10 years	10 to 10.20 years
VII	**Maturity profile of defined benefit obligation**					
	1	Within the next 12 months	54.15	11.61	45.29	7.56
	2	Between 1 and 5 years	157.18	33.83	159.48	38.15
	3	Between 5 and 10 years	156.43	36.36	161.82	40.33
VIII	**Sensitivity analysis for significant assumptions (Refer Note (i) & (ii) below)**					
	Present value of defined benefits obligation at the end of the year (for change in 100 basis points)					
	1	For increase in discount rate by 100 basis points	345.13	88.05	354.85	95.31
	2	For decrease in discount rate by 100 basis points	392.94	103.28	407.37	112.48
	3	For increase in salary rate by 100 basis points	392.63	103.02	406.50	111.44
	4	For decrease in salary rate by 100 basis points	344.98	88.17	354.87	95.48
IX	**The major categories of plan assets as a percentage of total plan**					
	Qualifying insurance policy with Life Insurance Corporation of India (LIC) and HDFC Life Insurance (Refer Note (iv) below)		100%	NA	100%	NA
X	**Expected cash flows**					
	1)	Expected employer contribution in the next year	54.15	11.58	45.29	7.49
	2)	Expected benefit payments				
		Year 1	54.15	11.58	45.29	7.49
		Year 2	39.69	8.30	43.38	9.03
		Year 3	41.15	8.15	39.03	9.50
		Year 4	39.28	8.95	39.13	9.02
		Year 5	37.06	8.41	37.95	10.40
		6 to 10 years	156.43	35.96	161.81	39.90
		Total Expected benefit payments	**367.76**	**81.35**	**366.59**	**85.34**

Particulars			As at 31st December 2021	As at 31st December 2020
XI	**Actuarial assumptions**			
	1)	**Financial Assumptions**		
		Discount rate (Refer Note (ii) below)	6.75%	6.25%
		Salary escalation (Refer Note (iii) below)	7.00%	7.00%
	2)	**Demographic Assumptions**		
		Expected average remaining working lives of employees	9.70	10.00
		Disability rate	5% mortality rates	5% mortality rates
		Retirement age	58 - 60 years	58 - 60 years
		Mortality pre-retirement	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate	Indian Assured Lives Mortality (IALM) (2012-14) Ultimate
		Mortality post-retirement	Not Applicable	Not Applicable
		Turnover rate	5%	Past Service upto 26 years : 5% and above 26 years : 1%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53 - EMPLOYEE BENEFITS (CONTD.....)

Notes:

i) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the reporting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

ii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

iii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

iv) 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.

e) Amount recognised as expense in respect of compensated absences is ₹ 15.69 crore (previous year - ₹ 29.73 crore).

f) The Group expects to make contribution of ₹ 54.15 crore (previous year - ₹ 45.29 crore) to the defined benefit plans during the next year.

g) Provident Fund managed by a trust set up by the Group

Provident Fund for certain eligible employees is managed by the Group through a trust "Ambuja Cements Staff Provident Fund Trust" and "The Provident Fund of ACC Ltd.", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Group or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

The minimum interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Group has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and shortfall of ₹ 82.96 crore (previous year - ₹ 73.11 crore) (including investment risk fall as mentioned below) on re-measurement of the defined benefit plan is recognised in Other Comprehensive Income (OCI). The Group has contributed ₹ 64.97 crore (previous year- ₹ 82.16 crore) towards provident fund liability.

The Group had invested provident fund of ₹ 9.05 crore through a trust "Ambuja Cements Staff Provident Fund Trust" in bonds of IL&FS Financial Services Limited and Diwan Housing Finance Limited and ₹ 49 crore through a trust "ACC Limited (Trust) in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability of this investment, during the year ended 31st December 2019 the Group has provided ₹ 58.05 crore being the change in re-measurement of the defined benefit plans, in Other Comprehensive Income towards probable incremental employee benefit liability that may arise on the Group on account of any likely shortfall of the Trust in meeting its obligations.

NOTE 53 - EMPLOYEE BENEFITS (CONTD.....)

Provident Fund managed by a trust - Defined benefit plans as per actuarial valuation

Particulars			For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
I	**Components of expense recognised in the Consolidated Statement of Profit and Loss**			
	1	Current service cost	34.27	32.03
	2	Interest Cost	77.56	16.99
	3	Interest Income	(75.02)	(12.70)
	4	Total expenses	**36.81**	**36.32**
II	**Amount recognised in the Consolidated Balance Sheet**			
	1	Present value of Defined Benefit Obligation	(1,029.35)	(997.16)
	2	Fair value of plan assets	946.39	924.05
	3	Funded status {Surplus/(Deficit)}	(82.96)	(73.11)
	4	Net asset/(liability) as at end of the year ((Refer Note (ii) given below)	(82.96)	(73.11)
III	**Present Value of Defined Benefit Obligation**			
	1	Present value of Defined Benefit Obligation at beginning of the year	997.16	974.61
	2	Current service cost	34.27	32.03
	3	Interest cost	77.56	84.11
	4	Benefits paid and transfer out	(134.38)	(179.29)
	5	Employee Contributions	64.97	82.16
	6	Transfer in / (Out) Net	10.60	13.75
	7	Actuarial (gains) / losses	(20.83)	(10.21)
	8	Present value of Defined Benefit Obligation at the end of the year	**1,029.35**	**997.16**
IV	**Fair Value of Plan Assets**			
	1	Plan assets at the beginning of the year	924.05	911.65
	2	Return on plan assets including interest income	75.02	79.82
	3	Contributions by Employer	31.25	28.86
	4	Contributions by Employee	64.97	82.16
	5	Transfer in / (Out) Net	10.60	13.75
	6	Asset Gain /(Loss)	(25.12)	(12.90)
	7	Actual benefits paid	(134.38)	(179.29)
	8	Plan assets at the end of the year	**946.39**	**924.05**
V	**Amounts recognised in Other Comprehensive Income at period end**			
	Actuarial (Gain) / Loss on Liability		(20.83)	(10.21)
	Actuarial (Gain) / Loss on Plan assets		25.13	12.90
	Total Actuarial (Gain) / Loss included in Other Comprehensive Income		**4.30**	**2.69**
VI	**Weighted Average duration of Defined Benefit Obligation**		10 years	10 years
VII	**The major categories of plan assets as a percentage of total plan**			
	1	Special deposits scheme	0%	2%
	2	Government Securities	57%	58%
	3	Debentures and Bonds	13%	11%
	4	Cash and Cash equivalent	12%	19%
	5	Mutual Fund	18%	10%
			100%	**100%**
VIII	**The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:**			
	1	Discounting rate	6.75%	6.25%
	2	Guaranteed interest rate	8.50%	8.50%
IX	**Sensitivity analysis for factors mentioned in Actuarial Assumptions (Refer Note (i) below)**			
	1	Discount rate (1% movement)	1,024.55	992.27
	2	Discount rate (1% decrease)	1,035.03	1,002.97
	3	Interest rate guarantee (1% movement)	1,094.65	1,060.69
	4	Interest rate guarantee (1% decrease)	995.40	964.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 53 - EMPLOYEE BENEFITS (CONTD.....)

Notes:

i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Consolidated Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

ii) In respect of Provident Fund, only liability is recognised in Consolidated Balance Sheet. Surplus is not recognised in Consolidated Balance Sheet.

iii) The Group expects to contribute ₹ 29.50 crore (previous year - ₹ 30.00 crore) to the trust managed Provident Fund in next year.

NOTE 54 - LEASES

(Refer Note 3 (T) and (AA) for accounting policy on leases)

A) Transition Disclosure for Indian Accounting Standard (Ind AS) 116 - "Leases"

The Group has adopted Ind AS 116 effective 1st January 2020, using the modified retrospective approach without restatement of the comparative period. Leases that were accounted for as operating leases in accordance with Ind AS 17 Leases, are recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted with the incremental borrowing rate as of that date. Furthermore, the Group has chosen the option whereby the right-of-use asset is equal to the lease liability at the initial application of Ind AS 116.

The following is the summary of practical expedients elected on initial application:

i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

ii) Excluded the initial direct costs from the measurement of the Right-of-use assets (ROU) at the date of initial application.

iii) The Group has relied on its previous assessment on whether leases are onerous. There were no onerous contracts as at 1st January 2020.

iv) The Group has not re-assessed whether a contract is or contains a lease at the date of initial application. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

v) For lease arrangement in respect of ships, the Group has not separated non-lease components from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.

a) Reconciliation of undiscounted operating lease commitments as of 31st December 2019 to the recognised lease liability as of 1st January 2020.

Particulars	₹ in crore
Operating lease commitments as of 31st December 2019	419.26
Non lease component for ships	201.84
Exemption of commitments for short-term leases	(18.73)
Exemption of commitments for leases of low value assets	(0.32)
Undiscounted future lease payments from operating leases	**602.05**
Effect of discounting	(126.01)
Total lease liability recognised as of 1st January 2020	**476.04**

NOTE 54 - LEASES (CONTD.....)

b) The above approach has resulted in recognition of below category wise right-to-use assets

Particulars	As at 1st January 2020 ₹ in crore
Leasehold land	89.97
Building and installation	13.54
Plant and Equipment	56.45
Ships and tugs	315.64
Furniture, vehicle and tools	0.44
Total	**476.04**

c) The effect of implementing Standard in the Consolidated Statement of Profit and Loss is as under

Particulars	For the year ended 31st December 2020 ₹ in crore
Decrease in expenses	
Freight and forwarding expense	37.57
Rent expenses (included in other expenses)	35.95
	73.52
Increase in expenses	
Depreciation and amortisation expense	61.87
Finance costs	26.61
Foreign exchange (gain)/loss (included in other expenses)	6.93
	95.41

d) The Group has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land. These arrangements do not involve any material recurring payments.The Group has reclassified these assets from Property, Plant and Equipment and other non-current assets to Right-of-use assets pursuant to adoption of Ind AS 116.

Particulars	As at 1st January 2020		
	Gross carrying Value	Accumulated Depreciation	Net carrying value
Property, Plant and Equipment	72.04	2.87	69.17
Other non-current assets	33.94	-	33.94
Total	**105.98**	**2.87**	**103.11**

e) The weighted average incremental borrowing rate at the date of initial application of Ind AS 116 used for the discounting as of 1st January 2020 is based on the Group's Portfolio of leases. Weighted Average Repayment Maturity (WARM) is calculated for each lease and discount rate is used based on the term of derived for repayment. Below is the range of Incremental Borrowing rate used to calculate the present value of the lease.

Particulars	WARM for lease contracts in	
	₹	USD
0 to 2 years	8.35%	4.53%
3 to 4 years	8.35%	4.53%
5 to 6 years	8.44%	4.61%
7 to 8 years	8.66%	4.84%
> 8 years	8.66%	4.84%

ACC Limited, the subsidiary has used the weighted average incremental borrowing rate at the date of initial application of Ind AS 116 used for the discounting as of 1st January 2020 is based on it's Portfolio of leases and equals 8.50 percent.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 54 - LEASES (CONTD.....)

B) Disclosure as per Ind AS 116:

a) **Group as lessee**

The Group's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, Plant and Equipment, office premises and other premises. There are no restrictions imposed by lease arrangements. There are no subleases.

b) The Group has a ship on lease arrangement with the Contract currency in USD, hence the lease payment is calculated in USD.

c) The operating cash outflow for the year ended 31st December 2021 has increased by ₹ 78.67 crores (previous year - ₹ 67.66 crore) crores. and the financing cashflows have decreased by ₹ 78.67 crore (previous year - ₹ 67.66 crore) as repayment of lease liability and interest portion of lease payment.

Commitments for leases not yet commenced as at 31st December 2021 is Nil (previous year ₹ 37.80 crore) towards leasehold lands for a lease term of 30 years.

d) The movement in lease liabilities during the year is as follows :

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Opening	427.00	476.04
Additions during the year	55.39	8.55
Finance cost accrued during the period	24.59	26.61
Lease Modification	(0.11)	(7.64)
Payment of lease liabilities	(78.67)	(67.66)
Unrealised loss	3.71	6.93
Termination of lease contracts	(2.28)	(15.83)
Closing	**429.63**	**427.00**
Current	67.11	46.38
Non-current	362.52	380.62
Total	**429.63**	**427.00**

e) **Lease Expenses recognised in the Consolidated Statement of Profit and Loss, not included in the measurement of lease liabilities:**

Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Expense relating to short-term leases and low-value assets	127.54	107.01
Expense in respect of variable lease payments	42.03	28.40
Total	**169.57**	**135.41**

f) The maturity analysis of lease liabilities are disclosed in Note 57 (C) - Liquidity risk

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55 - RELATED PARTY DISCLOSURE

I) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
1	Holcim Limited (Erstwhile LafargeHolcim Limited), Switzerland	Ultimate Holding Company
2	Holderfin B.V, Netherlands	Intermediate Holding Company
3	Holderind Investments Limited, Mauritius	Holding Company

B) Others, with whom transactions have taken place during the current year and /or previous year

i) Related parties

Sr	Name	Nature of Relationship
1	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
2	Holcim Technology Limited, Switzerland	Fellow Subsidiary
3	Holcim Services (South Asia) Limited	Fellow Subsidiary
4	Holcim Trading Pte Limited, Singapore (Erstwhile LafargeHolcim Trading Pte Ltd)	Fellow Subsidiary
5	PT Holcim Indonesia Tbk., Indonesia	Fellow Subsidiary
6	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
7	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
8	Lafarge Holcim Global Hub Services Private Limited	Fellow Subsidiary
9	Lafarge SA, France	Fellow Subsidiary
10	Lafarge Africa PLC, Nigeria	Fellow Subsidiary
11	Lafarge Umiam Mining Private Limited	Fellow Subsidiary
12	Lafargeholcim Investment Co Ltd, China	Fellow Subsidiary
13	Holcim (Australia) Pty Ltd, Australia	Fellow Subsidiary
14	Holcim Philippines, Inc., Philippines	Fellow Subsidiary
15	Holcim International Services Singapore Pte Limited, Singapore (Erstwhile Lafarge International Services Singapore Pte Limited)	Fellow Subsidiary
16	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	Fellow Subsidiary
17	Lafarge Zementwerke GMBH	Fellow Subsidiary
18	Asian Fine Cement Private Limited	Subsidiary of Asian Concretes and Cements Private Limited
19	Counto Microfine Products Private Limited	Joint Venture
20	Aakaash Manufacturing Company Private Limited	Associate of Subsidiary
21	Alcon Cement Company Private Limited	Associate of Subsidiary
22	Asian Concretes and Cements Private Limited	Associate of Subsidiary
23	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
24	Ambuja Cements Limited Employees Gratuity Fund Trust	Trust (Post-employment benefit plan)
25	The Provident Fund of ACC Limited	Trust (Post-employment benefit plan)
26	ACC Limited Employees Group Gratuity Scheme	Trust (Post-employment benefit plan)
27	Ambuja Cement Foundation	Trust (Corporate Social Responsibility Trust)
28	Ambuja Vidya Niketan Trust	Trust (Corporate Social Responsibility Trust)
29	Ambuja Hospital Trust	Trust (Corporate Social Responsibility Trust)
30	ACC Trust	Trust (Corporate Social Responsibility Trust)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55 - RELATED PARTY DISCLOSURE (CONTD.....)

ii) **Key Management Personnel (KMP)**

In accordance with "Ind AS 24 - Related Party Disclosures" and the Companies Act, 2013, following Personnels are considered as KMP.

Sr	Name	Nature of Relationship
1	Mr. N.S. Sekhsaria	Principal Founder, Non Executive Chairman, Non Independent Director
2	Mr. Jan Jenisch	Vice Chairman, Non Executive, Non Independent Director
3	Mr. Martin Kriegner	Non Executive, Non Independent Director
4	Mr. Christof Hassig	Non Executive, Non Independent Director
5	Mr. Roland Kohler	Non Executive, Non Independent Director (upto 10th December 2020)
6	Mr. Ramanathan Muthu	Non Executive, Non Independent Director (with effect from 23rd December 2020)
7	Ms. Then Hwee Tan	Non Executive, Non Independent Director
8	Mr. Ranjit Shahani	Non Executive, Non Independent Director
9	Mr. Praveen Kumar Molri	Non Executive, Non Independent Director
10	Mr. Mahendra Kumar Sharma	Non Executive, Non Independent Director
11	Ms. Shikha Sharma	Non Executive, Independent Director
12	Mr. Nasser Munjee	Non Executive, Independent Director
13	Mr. Rajendra P. Chitale	Non Executive, Independent Director
14	Mr. Shailesh Haribhakti	Non Executive, Independent Director
15	Dr. Omkar Goswami	Non Executive, Independent Director
16	Mr. Bimlendra Jha	Managing Director & Chief Executive Officer (Upto 20th February 2020)
17	Mr. Neeraj Akhoury	Managing Director & Chief Executive Officer (with effect from 21st February 2020)
18	Ms. Sonal Shrivastava	Chief Financial Officer (Upto 31st August 2020)
19	Ms. Rajani Kesari	Chief Financial Officer (with effect from 1st September 2020)
20	Mr. Rajiv Gandhi	Company Secretary

II) Transactions with related party

	Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
A)	**Transactions with fellow subsidiaries during the year**		
1	**Purchase of goods**		
	LafargeHolcim Energy Solutions S.A.S., France	-	435.58
	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	366.04	-
		366.04	**435.58**
2	**Sale of Fixed Assets**		
	Holcim Services (South Asia) Limited	-	0.01
		-	**0.01**
3	**Receiving of services**		
	Holcim Group Services Limited, Switzerland	0.17	1.89
	Holcim Technology Limited, Switzerland	286.08	241.02
	Lafargeholcim Investment Co Ltd, China	0.86	-
	Holcim Services (South Asia) Limited	87.92	102.51
	Lafarge SA, France	0.37	0.66
	Lafarge Holcim Global Hub Services Private Limited	50.21	20.77
	Lafarge Zementwerke GMBH	0.29	-
		425.90	**366.85**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55 - RELATED PARTY DISCLOSURE (CONTD.....)

	Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
4	**Rendering of services**		
	Holcim Technology Limited, Switzerland	-	0.63
	Holcim Services (South Asia) Limited	11.53	12.10
	Lafarge Holcim Global Hub Services Private Limited	-	6.17
	Lafarge SA, France	-	0.79
		11.53	**19.69**
5	**Other recoveries**		
	Holcim Technology Limited, Switzerland	2.44	1.93
	LafargeHolcim Energy Solutions S.A.S., France	1.19	1.09
	Holcim (Australia) Pty Ltd, Australia	-	0.08
	Lafarge Africa PLC, Nigeria	-	0.01
	Holcim Philippines, Inc., Philippines	-	0.14
	Lafarge Umiam Mining Private Limited	-	0.17
	Lafarge Holcim Global Hub Services Private Limited	0.40	0.19
	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	0.02	-
		4.05	**3.61**
6	**Other payments**		
	LafargeHolcim Energy Solutions S.A.S., France	0.45	3.48
	Holcim Technology Limited, Switzerland	0.08	0.86
	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	0.85	-
	Holcim International Services Singapore Pte Limited, Singapore (Erstwhile Lafarge International Services Singapore Pte Limited)	0.38	1.47
	Holcim Group Services Limited, Switzerland	0.20	0.03
		1.96	**5.84**
7	**Expense recognised in respect of doubtful debts**		
	Holcim Technology Limited, Switzerland	-	1.45
	Holcim Trading Pte Limited, Singapore (Erstwhile LafargeHolcim Trading Pte Ltd)	-	0.13
	PT Holcim Indonesia Tbk., Indonesia	-	0.15
		-	**1.73**

	Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
B)	**Outstanding balances with fellow subsidiaries**		
1	**Amount receivable at the year end**		
	Holcim Technology Limited, Switzerland	-	0.21
	LafargeHolcim Bangladesh Ltd, Bangladesh	0.02	0.02
	Lafarge SA, France	-	0.03
	Lafarge Holcim Global Hub Services Private Limited	-	8.36
	Holcim Services (South Asia) Limited	5.94	7.26
		5.96	**15.88**
2	**Amount payable at the year end**	-	
	Holcim Technology Limited, Switzerland	61.63	54.27
	Holcim Services (South Asia) Limited	7.49	11.18
	Holcim Trading Limited, Switzerland (Erstwhile LH Trading Ltd)	137.97	-
	Holcim Group Services Limited, Switzerland	0.02	0.85
	LafargeHolcim Energy Solutions S.A.S., France	1.21	4.16
	Lafarge SA, France	0.44	0.17
	Lafarge Holcim Global Hub Services Private Limited	3.32	2.03
	Holcim International Services Singapore Pte Limited, Singapore (Erstwhile Lafarge International Services Singapore Pte Limited)	-	1.47
	Lafargeholcim Investment Co Ltd, China	0.17	-
		212.25	**74.13**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55 - RELATED PARTY DISCLOSURE (CONTD.....)

Particulars		For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
C)	**Transactions with holding company**		
1	**Dividend paid**		
	Holderind Investments Limited, Mauritius	137.10	2,330.12
		137.10	**2,330.12**

Particulars		For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
D)	**Transactions with associates**		
1	**Purchase of goods**		
	Alcon Cement Company Private Limited	65.86	47.77
	Asian Concretes and Cements Private Limited	8.94	4.87
		74.80	**52.64**
2	**Sale of goods**		
	Alcon Cement Company Private Limited	20.71	14.18
	Asian Fine Cement Private Limited	1.19	1.50
		21.90	**15.68**
3	**Receiving of services**		
	Asian Concretes and Cements Private Limited	63.33	62.10
		63.33	**62.10**
4	**Other recoveries**		
	Alcon Cement Company Private Limited	16.23	11.24
		16.23	**11.24**
5	**Other payments**		
	Alcon Cement Company Private Limited	0.34	0.14
	Asian Concretes and Cements Private Limited	-	2.24
		0.34	**2.38**
6	**Dividend received**		
	Alcon Cement Company Private Limited	0.43	0.29
		0.43	**0.29**

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
F)	**Outstanding balances with associate company**		
1	**Amount receivable at the year end**		
	Alcon Cement Company Private Limited	8.74	6.39
		8.74	**6.39**
2	**Amount payable at the year end**		
	Alcon Cement Company Private Limited	7.58	6.09
	Asian Concretes and Cements Private Limited	16.41	6.16
	Asian Fine Cement Private Limited	0.31	0.50
		24.30	**12.75**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55 - RELATED PARTY DISCLOSURE (CONTD.....)

Particulars		For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
G)	**Transactions with joint ventures**		
1	**Rendering of services**		
	Counto Microfine Products Private Limited	3.62	3.53
		3.62	**3.53**
2	**Dividend Received**		
	Counto Microfine Products Private Limited	2.75	2.50
	Aakaash Manufacturing Company Private Limited	1.13	-
		3.88	**2.50**
3	**Purchase of Goods**		
	Counto Microfine Products Private Limited	0.58	0.21
	Aakaash Manufacturing Company Private Limited	149.20	86.59
		149.78	**86.80**
4	**Sale of goods**		
	Counto Microfine Products Private Limited	0.02	0.03
	Aakaash Manufacturing Company Private Limited	2.38	8.00
		2.40	**8.03**
5	**Other Payments**		
	Aakaash Manufacturing Company Private Limited	0.21	1.22
		0.21	**1.22**
6	**Buy back of shares**		
	Counto Microfine Products Private Limited	-	2.25
		-	**2.25**

Particulars		As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
H)	**Outstanding balances with joint ventures**		
1	**Amount receivable at the year end**		
	Counto Microfine Products Private Limited	0.76	-
	Aakaash Manufacturing Company Private Limited	0.22	1.59
		0.98	**1.59**
2	**Amount payable at the year end**		
	Counto Microfine Products Private Limited	0.17	0.04
	Aakaash Manufacturing Company Private Limited	36.66	20.64
		36.83	**20.68**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 55 - RELATED PARTY DISCLOSURE (CONTD.....)

	Particulars	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
I)	**Transactions with Key Management Personnel**		
1	**Remuneration (Refer Note (a) and (b) below)**		
	Mr. Neeraj Akhoury	11.54	6.17
	Mr. Bimlendra Jha	-	11.42
	Ms. Sonal Shrivastava	-	1.94
	Ms. Rajani Kesari	6.15	1.18
	Mr. Rajiv Gandhi	1.41	1.24
		19.10	**21.95**
2	**Break-up of remuneration**		
	Short term employment benefit	18.18	21.20
	Post employment benefits	0.52	0.44
	Other long term benefits	0.12	0.16
	Employee share based payments (Refer Note 65)	0.28	0.15
		19.10	**21.95**
3	**Commission, sitting fees, advisory fees and other reimbursement**		
	Mr. N.S. Sekhsaria	0.54	0.56
	Mr. Martin Kriegner (Refer Note (g) below)	-	-
	Mr. Christof Hassig	0.23	0.26
	Mr. Nasser Munjee	0.45	0.47
	Mr. Rajendra P. Chitale	0.55	0.57
	Mr. Shailesh Haribhakti	0.42	0.47
	Dr. Omkar Goswami	0.45	0.44
	Mr. Jan Jenisch	0.23	0.23
	Mr. Roland Kohler	-	0.24
	Ms. Then Hwee Tan	0.40	0.42
	Mr. Mahendra Kumar Sharma	0.38	0.26
	Ms. Shikha Sharma	0.41	0.44
	Mr. Ranjit Shahani	0.25	0.26
	Mr. Praveen Kumar Molri	0.23	0.25
	Mr. Ramanathan Muthu	0.23	0.01
		4.77	**4.88**
	Total	**23.87**	**26.83**

Notes:

a) Does not include provision towards gratuity and leave encashment which is provided based on actuarial valuation on an overall Company basis.

b) Remuneration includes performance incentive paid in respective year which is related to the performance of preceding year except to the extent of performance incentive to MD and CEO being paid every six months as per agreement.

c) Contribution to Ambuja Cements Limited Staff Provident Fund Trust and The Provident fund of ACC Limited :

The Group is required to contribute a specified percentage of the employee compensation for eligible employees towards provident fund. During the year, the Group contributed ₹ 5.79 crore (previous year - ₹ 4.55 crore) to "Ambuja Cements Limited Staff Provident Fund" and ₹ 25.46 crore (previous year - ₹ 24.31 crore) to "The Provident fund of ACC Limited".

d) Contribution to Ambuja Cements Limited Employees Gratuity Fund Trust and ACC limited Employees Group Gratuity scheme :

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year, the Group has contributed ₹ 5 crore (previous year - ₹ 29 crore) towards "Ambuja Cements Limited Employees Gratuity Fund Trust" and Nil (previous year - ₹ 25 crore) "ACC limited Employees Group Gratuity scheme".

e) During the year the Company has contributed ₹ 47.70 crore (previous year - ₹ 39.00 crore) to Ambuja Cement Foundation, ₹ 5.98 crore (previous year - ₹ 5.92 crore) to Ambuja Vidya Niketan Trust, ₹ 3.70 crore (previous year - ₹ 4.60 crore) to Ambuja Hospital Trust towards Corporate social responsibility obligations.

ACC Limited, the subsidiary during the year has contributed ₹ 16.00 crore (previous year - ₹ 27.24 crore) to ACC Trust towards its Corporate social responsibility obligations.

f) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group has not recorded any loss allowances for trade receivables from related parties (previous year - Nil).

g) Mr. Martin Kriegner has waived his right to receive Directors' commission and sitting fees.

h) Transaction with related parties disclosed are inclusive of applicable taxes.

NOTE 56 - FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A) Classification of financial assets and liabilities

Particulars	Notes	As at 31st December 2021		As at 31st December 2020	
		Carrying value ₹ in crore	Fair value ₹ in crore	Carrying value ₹ in crore	Fair value ₹ in crore
Financial assets					
a) Measured at amortised cost					
Cash and cash equivalents	17	10,499.96	10,499.96	7,881.62	7,881.62
Bank balances other than cash and cash equivalents	18	335.80	335.80	364.07	364.07
Trade Receivables	16	645.83	645.83	561.13	561.13
Loans	12, 19	21.47	21.47	21.30	21.30
Investments in bonds	10	3.70	3.70	3.70	3.70
Other financial assets	13, 20	1,729.37	1,729.37	1,783.48	1,783.48
		13,236.13	**13,236.13**	**10,615.30**	**10,615.30**
b) Measured at fair value through profit and loss (FVTPL)					
Cash and cash equivalents - investment in liquid mutual funds	17	858.53	858.53	689.94	689.94
Investment in unquoted equity instruments	10	23.90	23.90	9.00	9.00
		882.43	**882.43**	**698.94**	**698.94**
Total (a + b)		**14,118.56**	**14,118.56**	**11,314.24**	**11,314.24**
Financial liabilities					
a) Measured at amortised cost					
Trade payables	34	2,912.82	2,912.82	2,213.41	2,213.41
Lease liabilities	28, 35	429.63	429.63	427.00	427.00
Other financial liabilities	29, 36	2,005.73	2,002.29	1,746.49	1,746.49
Interest free loan from State Government	27, 36	46.94	46.94	43.60	43.60
		5,395.12	**5,391.68**	**4,430.50**	**4,430.50**
b) Measured at fair value through profit and loss (FVTPL)					
Foreign currency forward contract	36	3.26	3.26	1.32	1.32
Total (a+b)		**5,398.38**	**5,394.94**	**4,431.82**	**4,431.82**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 56 - FINANCIAL INSTRUMENTS (CONTD.....)

B) Income and Expenses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Consolidated Statement of Profit and Loss are as follows:

Particulars	Notes	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore
Income on Finanical Instruments			
Financial assets measured at amortised cost			
Interest income	40	291.46	383.15
Impairment (loss)/gain on trade receivables (including reversals of impairment losses)		(9.95)	39.96
Expected credit loss on Incentive under Government Schemes	48	-	128.92
Financial assets measured at fair value through profit or loss			
Gain on sale of current financial assets	40	17.80	26.65
Net gain on fair valuation of liquid mutual fund	40	0.37	0.47
		299.68	**579.15**
Expenses on Finanical Instruments			
Financial liabilities measured at amortised cost			
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	48	5.33	10.07
Interest expenses on deposits from dealers	45	29.67	32.48
Interest expense on lease liability	45	24.59	26.61
Financial liabilities measured at fair value through profit or loss			
Net Loss on foreign currency forward contract	48	4.55	1.61
Total		**64.14**	**70.77**
Net Income recognised in the Consolidated Statement of Profit and Loss		**235.54**	**508.38**

C) Fair value measurements

The Group uses the following hierarchy for determining and / or disclosing the fair value of financial instruments by valuation techniques :

a) Level 1

This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2

This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

c) Level 3

This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTE 56 - FINANCIAL INSTRUMENTS (CONTD.....)

D) For assets and liabilities which are measured at fair value, the classification of fair value calculations by category is summarised below

Particulars	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore	Level	Valuation techniques and key inputs
Financial assets					
a) Measured at fair value through profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	17	858.53	689.94	1	Investment in liquid and short term mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.
Investment in unquoted equity instruments (other than joint ventures and associates)	10	23.90	9.00	3	Using discounted cash flow method.
Financial liabilities					
a) Measured at fair value through profit and loss (FVTPL)					
Foreign currency forward contract	36	3.26	1.32	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

Note:

i) There was no transfer between level 1 and level 2 fair value measurement.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

In the opinion of Group the carrying amount of loans, other financial assets, trade receivables, cash and cash equivalents excluding investments in liquid mutual funds, bank balances other than cash and cash equivalents, other financial liabilities (excluding derivative financial instruments) and trade payable recognised in the consolidated financial statement approximate their fair values largely due to the short-term maturities of these instruments.

NOTE 57 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has a system-based approach to risk management, established policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks such as market risk, credit risk and liquidity risk that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Group's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 57 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

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) commodity price risk b) currency risk and c) interest rate risk. Financial instruments are affected by market risk comprise deposits, investments, trade payables.

The Group is not an investor in equity market. The Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities focused on managing investments in debt instruments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Group's investments are predominantly held in fixed deposits, liquid mutual funds (debt market) and certificates of deposit. Mark to market movements in respect of the Group's investments are valued through the Consolidated Statement of Profit and Loss. Fixed deposits are held with highly rated banks, have a short tenure and are not subject to interest rate volatility.

Assumption made in calculating the sensitivity analysis

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

a) Commodity price risk

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to a drop in operating margin. To manage this risk, the Group take following steps:

i) Optimizing the fuel mix, pursue longer term and fixed contracts where considered necessary.

ii) Consistent efforts to reduce the cost of power and fuel by using both domestic and international coal and petcoke.

iii) Use of alternative Fuel and Raw Materials (AFR) and enhancing the utilisation of renewable power including its onsite and offsite solar, wind, hydro power and Waste Heat Recovery System (WHRS).

Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirements are monitored by the central procurement team.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group operating activities. The aim of the Group's approach to manage currency risk is to leave the Group with no material residual risk. The Group's is not exposed to significant foreign currency risk. Based on sensitivity analysis, the Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

NOTE 57 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

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

Particulars	As at 31st December 2021		As at 31st December 2020	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other financial liabilities (Unhedged)				
CHF	0.26	-	0.19	-
EURO	11.17	0.06	7.88	0.09
GBP	-	-	0.06	-
JPY	1.20	1.78	0.20	0.28
SEK	0.44	0.05	0.34	0.04
SGD	0.01	-	0.01	-
USD	148.29	1.82	153.12	2.11
Total	**161.37**		**161.80**	
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports and services (Refer Note (i) below)	216.46	2.85	167.71	2.26

Note:

i) This does not include the firm commitment

Foreign currency sensitivity on unhedged exposure - (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

Particulars	As at 31st December 2021		As at 31st December 2020	
	1 % strengthening of ₹ ₹ in crore	1 % weakening of ₹ ₹ in crore	1 % strengthening of ₹ ₹ in crore	1 % weakening of ₹ ₹ in crore
Trade payable and other financial liabilities (Unhedged)				
CHF	-	-	-	-
EURO	0.11	(0.11)	0.08	(0.08)
GBP	-	-	-	-
JPY	0.01	(0.01)	-	-
SEK	-	-	-	-
SGD	-	-	-	-
USD	1.49	(1.49)	1.53	(1.53)
Increase / (Decrease) in profit	**1.61**	**(1.61)**	**1.61**	**(1.61)**

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) **Interest rate risk**

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

Interest risk exposure

Particulars	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Interest bearing			
Security deposit from dealers	36	1,293.24	1,197.02
Non-interest bearing			
Current maturities of non-current borrowings	36	3.44	-
Borrowings - Interest free sales tax loan	27	43.50	43.60
Total		**1,340.18**	**1,240.62**
Interest rate sensitivities for unhedged exposure (Refer Note (i) below)			
Security deposit from dealers			
Impact of increase in 100 bps would decrease profit by		12.93	11.97
Impact of decrease in 100 bps would increase profit by		(12.93)	(11.97)

Note:

i) Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 57 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group has no significant concentration of credit risk with any counterparty.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	Notes	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Trade receivables	16	81.45	91.40
Financial assets other than trade receivables			
Receivables which have significant increase in credit risk	12, 20	39.02	39.13
Long-term loans to joint operation	12	1.10	1.04
		40.12	**40.17**
Total		**121.57**	**131.57**

Financial assets other than trade receivables

The exposure to the Group arising out of this category consists of balances with banks, investments in liquid mutual funds (debt markets), incentives receivables from government and loans which do not pose any material credit risk. Such exposure is also controlled, reviewed and approved by the management of the Group on routine basis. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Credit risk on cash and cash equivalents, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial Institutions. Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Total non-current investments (other than subsidiaries and joint arrangements) and investments in liquid mutual funds as on 31st December 2021 are ₹ 27.60 crore and ₹ 858.53 crore (31st December 2020 - ₹ 12.70 crore and ₹ 689.94 crore).

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

ACC Limited, a subsidiary of the Company (ACC), has manufacturing units in various states; mainly those in Maharashtra and Jharkhand are eligible for incentives under the respective State Industrial Policy. ACC accrued these incentives as refund claims in respect of VAT / GST paid, on the basis that all attaching conditions were fulfilled by the ACC and there was reasonable assurance that the incentive claims will be disbursed by the State Governments.

During the previous year, in view of the ACC's re-assessing the expected recovery period for incentives receivables, a charge of ₹ 128.92 crore due to time value of money computed based on the expected credit loss method is included in Other Expenses.

ACC is confident about the ultimate realisation of the dues from the State Governments and there is no risk of default.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 57 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

Trade receivable

Trade receivables consist of a large number of customers. The Group has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. The exposure in credit risk arising out of major customers is generally backed either by bank guarantee, letter of credit or security deposits.

The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group.

The Group does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales.

The ageing analysis of trade receivables (Refer Note 16):

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Up to 6 months	634.41	538.49
More than 6 months	92.87	114.04
Total	**727.28**	**652.53**
Impaired	(81.45)	(91.40)
Total	**645.83**	**561.13**

The Group has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Movement in expected credit loss allowance of trade receivable

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balance at the beginning of the year	91.40	51.44
Add : provided during the year	6.91	54.89
Less : amounts utilised	1.13	11.18
Less : reversal of provisions	15.73	3.75
Balance at the end of the year	**81.45**	**91.40**

Movement in expected credit loss allowance of financial assets

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Balance at the beginning of the year	40.17	35.05
Add : provided during the year	0.15	6.50
Less : Reversal of provision	0.20	1.38
Balance at the end of the year	**40.12**	**40.17**

C) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group has invested in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 57 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.....)

Particulars	Carrying amount ₹ in crore	Contractual maturities Less than 1 year ₹ in crore	1 - 5 Years ₹ in crore	More than 5 year ₹ in crore	Total ₹ in crore
As at 31st December 2021					
Borrowings	46.94	3.59	46.16	8.47	58.22
Lease liability	429.63	76.98	269.91	203.22	550.11
Trade payables	2,912.82	2,912.82	-	-	2,912.82
Other financial liabilities (Refer Note (a) below)	2,008.99	2,008.86	0.13	-	2,008.99
Total	**5,398.38**	**5,002.25**	**316.20**	**211.69**	**5,530.14**
As at 31st December 2020					
Borrowings	43.60	-	49.75	8.47	58.22
Lease liability	427.00	75.59	260.92	213.47	549.98
Trade payables	2,213.41	2,213.41	-	-	2,213.41
Other financial liabilities (Refer Note (a) below)	1,747.81	1,747.68	0.13	-	1,747.81
Total	**4,431.82**	**4,036.68**	**310.80**	**221.94**	**4,569.42**

Note:

a) Other financial liabilities includes deposits received from customers amounting to ₹ 1,128.43 crore (previous year - ₹ 1,197.02 crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

NOTE 58 - SEGMENT REPORTING

(Refer Note 3 (U) for accounting policy on segment reporting)

A) The principal business of the Group is of manufacturing and sale of Cement and Cement Related Products. All other activities of the Group revolve around its principal business. The Executive Committee of the Group, has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance, allocates resources based on analysis of the various performance indicators of the Group as a single unit. CODM have concluded that there is only one operating reportable segment as defined by IND AS 108 "Operating Segments", i.e. Cement and Cement Related Products.

B) Geographical Information

The Group operates in geographical areas of India (country of domicile) and others (outside India).

Particulars	Revenues from customers		Non-current assets (Refer Note (a) below)	
	For the year ended 31st December 2021 ₹ in crore	For the year ended 31st December 2020 ₹ in crore	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
a) Within India	28,545.98	24,089.10	26,717.16	25,349.29
b) Outside India (Refer Note (b) below)	2.10	4.76	-	-
Total	**28,548.08**	**24,093.86**	**26,717.16**	**25,349.29**

Notes:

a) As per IND AS 108 "Operating Segments", Non-current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

b) Sales outside India are in functional currency.

C) Information about major customers

During the year ended 31st December 2021 and 31st December 2020, there is no single customer who contributes 10% or more to the Group's revenue.

NOTE 59 - FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL

a) Interest in joint ventures

The Group has interest in the following joint ventures which it considers to be individually immaterial. The Group's interest in the following joint ventures are accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures, based on their financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

The Group's share in each joint ventures is as follows

Particulars	As at 31st December 2021 %	As at 31st December 2020 %
Direct joint venture		
Counto Microfine Products Private Limited	50.00%	50.00%
Joint venture of a subsidiary		
Aakaash Manufacturing Company Private Limited	40.00%	40.00%

Aggregate information of joint ventures that are not individually material

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
The Group's share of profit / (loss) from continuing operations	10.57	5.53
The Group's share of other comprehensive income	0.08	(0.03)
The Group's share of total comprehensive income	10.65	5.50
The carrying amount of the investment	49.79	43.02

b) Interest in associates

The Group's interest in these associates is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associates, based on their financial statements, and reconciliation with the carrying amount of the investments in consolidated financial statements are set out below:

The Group's share in each associate is as follows :

Name of the associates	As at 31st December 2021 %	As at 31st December 2020 %
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	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
The Group's share of profit / (loss) from continuing operations	9.66	8.91
The Group's share of other comprehensive income	(0.08)	(0.02)
The Group's share of total comprehensive income	9.58	8.89
The carrying amount of the investment	120.72	111.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 59 - FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL (CONTD.....)

c) Interest in joint operations

The Group has interest in a joint operation "Wardha Vaalley Coal Field Private Limited". The Group's interest are accounted on a line-by-line basis by adding together the book value of like items of assets, liabilities, income, expenses and cash flow in the Standalone Financial Statements of the Company. Summarised financial information of the joint operation is given below:

Particulars	As at 31st December 2021 % and ₹ crore	As at 31st December 2020 % and ₹ crore
Shareholding in %	27.27%	27.27%
Aggregate information of joint operation		
The Company's share of profit / (loss)	(0.11)	(0.11)
The Company's share of total comprehensive income	(0.11)	(0.11)

NOTE 60 - FINANCIAL INFORMATION IN RESPECT OF MATERIAL PARTLY-OWNED SUBSIDIARY

The Group has concluded that ACC Limited is the only subsidiary with material non-controlling interest. Financial information of ACC Limited is given below:

a) Proportion of equity interest held by non-controlling interest

Name of the Company	Principal place of business	As at 31st December 2021	As at 31st December 2020
ACC Limited	India	49.95%	49.95%

b) Summarised Consolidated financial information of ACC Limited

	Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
i)	**Non-controlling interest in ACC Limited**		
	Total comprehensive income allocated to non-controlling interest	933.38	734.52
	Accumulated balances of non-controlling interest	7,141.05	6,336.90
ii)	**Summarised Balance Sheet of ACC Limited**		
	Non-current assets	10,669.46	9,751.60
	Current assets	10,369.38	8,448.63
		21,038.84	**18,200.23**
	Non-current liabilities	720.62	693.60
	Current liabilities	6,006.04	4,804.26
	Non-controlling interest of ACC Limited	3.35	3.24
		6,730.01	**5,501.10**
	Equity attributable to owners of the parent	**14,308.83**	**12,699.13**
iii)	**Dividends paid to non-controlling interest of the Company in ACC Limited**	131.32	131.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 60 - FINANCIAL INFORMATION IN RESPECT OF MATERIAL PARTLY-OWNED SUBSIDIARY (CONTD.....)

Particulars		For the year ended 31st December 2021	For the year ended 31st December 2020
		₹ in crore	₹ in crore
iv)	**Summarised Statement of Profit and Loss of ACC Limited**		
	Income	16,358.38	14,002.72
	Expenses		
	Cost of materials consumed	2,119.57	1,673.21
	Purchase of stock-in-trade	921.19	696.89
	Changes in inventories of finished goods, work-in progress and stock-in-trade	(174.25)	142.41
	Employee benefits expense	836.16	841.21
	Finance costs	54.62	57.08
	Depreciation and amortisation expense	600.68	638.84
	Power and fuel	3,364.77	2,574.65
	Freight and forwarding expense	3,822.99	3,416.09
	Other expenses	2,263.16	2,086.41
	Total expenses	**13,808.89**	**12,126.79**
	Profit before share of profit of associates and joint ventures, exceptional items and tax expenses	2,549.49	1,875.93
	Share of profit of associates and joint venture	11.65	8.93
	Profit before exceptional items and tax expenses	**2,561.14**	**1,884.86**
	Exceptional items	54.76	176.01
	Profit before tax	**2,506.38**	**1,708.85**
	Tax expense	643.28	278.59
	Profit for the year	**1,863.10**	**1,430.26**
	Other Comprehensive Income	5.43	(14.58)
	Total comprehensive income	**1,868.53**	**1,415.68**
	Profit attributable to owners of the company	1,862.99	1,430.18
	Profit attributable to non-controlling interest	0.11	0.08
	Total comprehensive income attributable to owners of the company	1,868.42	1,415.60
	Total comprehensive income attributable to non-controlling interest	0.11	0.08
v)	**Summarised Cash Flow Statement of ACC Limited**		
	Cash flow from Operating activities	2,835.49	2,219.19
	Cash used in Investing activities	(988.01)	(535.15)
	Cash used in Financing activities	(330.52)	(327.36)
	Net increase in cash and cash equivalents	**1,516.96**	**1,356.68**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 61 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS UNDER DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013.

Name of the entity	Year	Share in net assets, (total assets minus total liabilities)		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		₹ in crore	As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore	As % of consolidated other comprehensive income	₹ in crore	As % of consolidated total comprehensive income
Parent									
Ambuja Cements Limited	2021	22,207.26	68.33%	2,080.54	56.06%	5.59	50.32%	2,086.13	56.05%
	2020	20,315.86	69.82%	1,790.10	57.62%	(6.97)	32.24%	1,783.13	57.80%
Subsidiaries - Indian									
ACC Limited	2021	14,228.43	43.78%	1,820.27	49.05%	5.44	48.96%	1,825.71	49.05%
	2020	12,661.44	43.51%	1,414.94	45.54%	(14.54)	67.25%	1,400.40	45.39%
M.G.T. Cements Private Limited	2021	(0.02)	0.00%	(0.01)	0.00%	-	-	(0.01)	0.00%
	2020	(0.01)	0.00%	-	-	-	-	-	-
Chemical Limes Mundwa Private Limited	2021	0.24	0.00%	(0.24)	-0.01%	-	-	(0.24)	-0.01%
	2020	0.01	0.00%	(0.20)	-0.01%	-	-	(0.20)	-0.01%
Dirk India Private Limited	2021	(30.93)	-0.10%	2.66	0.07%	0.08	0.72%	2.74	0.07%
	2020	(33.68)	-0.12%	(1.03)	-0.03%	(0.06)	0.28%	(1.09)	-0.04%
OneIndia BSC Private Limited (Refer Note 11 (b))	2021	13.34	0.04%	0.25	0.01%	-	-	0.25	0.01%
	2020	13.08	0.04%	(1.29)	-0.04%	-	-	(1.29)	-0.04%
Subsidiaries - Foreign									
Dang Cement Industries Private Limited	2021	-	-	(0.83)	-0.02%	-	-	(0.83)	-0.02%
	2020	-	-	(0.92)	-0.03%	-	-	(0.92)	-0.03%
Subsidiaries of Subsidiary - Indian									
Bulk Cement Corporation (India) Limited	2021	61.26	0.19%	1.94	0.05%	-	-	1.94	0.05%
	2020	59.32	0.20%	1.58	0.05%	-	-	1.58	0.05%
ACC Mineral Resources Limited	2021	86.76	0.27%	2.20	0.06%	-	-	2.20	0.06%
	2020	84.55	0.29%	2.89	0.09%	-	-	2.89	0.09%
Lucky Minmat Limited (Refer Note 64 (d))	2021	(3.08)	-0.01%	(0.60)	-0.02%	-	-	(0.60)	-0.02%
	2020	(2.49)	-0.01%	(0.50)	-0.02%	-	-	(0.50)	-0.02%
National Limestone Company Private Limited (Refer Note 64 (a))	2021	-	-	-	-	-	-	-	-
	2020	-	-	1.64	0.05%	-	-	1.64	0.05%
Singhania Minerals Private Limited	2021	(0.94)	0.00%	0.03	0.00%	-	-	0.03	0.00%
	2020	(0.96)	0.00%	(0.61)	-0.02%	-	-	(0.61)	-0.02%
Non-controlling interest in all subsidiaries	2021	7,145.03	21.99%	930.66	25.08%	2.71	24.39%	933.37	25.08%
	2020	6,340.89	21.79%	741.40	23.86%	(7.28)	33.67%	734.12	23.79%
Joint ventures - Indian (accounted for using equity method)									
Counto Microfine Products Private Limited	2021	36.41	0.11%	8.71	0.23%	0.01	0.09%	8.72	0.23%
	2020	30.45	0.10%	4.87	0.16%	(0.01)	0.05%	4.86	0.16%
Aakaash Manufacturing Company Private Limited	2021	13.38	0.04%	1.94	0.05%	-	-	1.94	0.05%
	2020	12.57	0.04%	0.67	0.02%	(0.02)	0.09%	0.65	0.02%
Associates of subsidiary - Indian (accounted for using equity method)									
Alcon Cement Company Private Limited	2021	18.55	0.06%	0.33	0.01%	-	-	0.33	0.01%
	2020	18.66	0.06%	0.31	0.01%	(0.02)	0.09%	0.29	0.01%
Asian Concretes and Cements Private Limited	2021	102.17	0.31%	9.25	0.25%	-	-	9.25	0.25%
	2020	92.92	0.32%	8.60	0.28%	-	-	8.60	0.28%
Adjustments on consolidation	2021	(11,379.09)	-35.01%	(1,146.06)	-30.88%	(2.72)	-24.48%	(1,143.34)	-30.72%
	2020	(10,494.12)	-36.06%	(855.61)	-27.54%	7.28	-33.67%	(848.33)	-27.50%
Total equity	2021	32,498.77	100.00%	3,711.04	100.00%	11.11	100.00%	3,722.15	100.00%
	2020	29,098.49	100.00%	3,106.84	100.00%	(21.62)	100.00%	3,085.22	100.00%

Note:

a) The above figures are from the Standalone Financial Statements of the respective companies and before eliminating intra group transactions and balances.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 62 - GOODWILL ON CONSOLIDATION

Particulars	As at 31st December 2021 ₹ in crore	As at 31st December 2020 ₹ in crore
Carrying amount as at beginning of the year	7,876.11	7,881.49
Impairment during the year (Refer Note 64 (d))	6.42	-
Derecognition in the view of divestment (Refer Note - 64 (a))	-	5.38
Net carrying value as at end of the year	**7,869.69**	**7,876.11**
Goodwill has been generated on account of the following acquisition over the years :		
ACC Limited (including its subsidiaries) (Refer Note (a) below)	7,846.50	7,852.92
Dirk India Private Limited	19.29	19.29
M.G.T. Cements Private Limited	2.72	2.72
Chemical Limes Mundwa Private Limited	1.18	1.18
Total	**7,869.69**	**7,876.11**

Notes:

a) In respect of goodwill of ACC Limited, for the purpose of impairment testing, the recoverable amount is determined based on fair value less cost of disposal as per the requirement of Ind AS 36. The fair value is computed based on market share price of equity share of ACC Limited, quoted on the stock exchange.

b) Based on the Group's assessment there is no further impairment of goodwill.

NOTE 63 - COAL BLOCK

ACC Mineral Resources Limited (AMRL), through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgment of Supreme Court dated 25th August 2014 read with its order dated 24th September 2014. The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated 23rd March 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to 31st March 2014. The Hon'ble Delhi High Court issued its judgment on 9th March 2017 wherein the court has said that “whatever has transpired after 31st March 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim has been filed with Ministry of Coal for reimbursement of expenses incurred up to the date of vesting order. In respect of other three blocks, auctioning dates are yet to be announced.

NOTE 64 - NOTES RELATED TO MATERIAL SUBSIDIARY, ACC LIMITED

a) During the previous year, ACC Limited, a subsidiary of the Company, divested 200,000 Equity Shares representing 100% stake in National Limestone Company Private Limited (NLCPL) under a Share Purchase Agreement dated 18th November 2020. The Group has received the entire consideration amount of ₹ 20 crore. The Group has accounted for ₹ 12.91 crore as profit arising from divestment.

b) ACC Limited, a subsidiary of the Company, has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of ₹ 16.15 crore (31st December 2020 ₹ 11.08 crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of cement so converted. This transaction has been identified in the nature of lease. (Refer Note 54)

c) ACC Limited, a subsidiary of the Company, has arrangement with a joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group’s local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale (excluding GST) of such Ready Mix Concrete to customer of ₹ 126.19 crore (31st December 2020 ₹ 73.18 crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 64 - NOTES RELATED TO MATERIAL SUBSIDIARY, ACC LIMITED (CONTD.....)

d) The Group had invested ₹ 38.10 crore (previous year - ₹ 38.10 crore) in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary company. In view of no mining activity being carried out in view of on-going litigation on transfer of lease rights and amendments brought in to the Mines and Minerals (Development and Regulations) Amendment Act, 2021, the Group has reassessed the value of investments and accordingly, during the year ended 31st December 2021, goodwill on consolidation of ₹ 6.42 crore has been impaired.

NOTE 65 - SHARE BASED PAYMENT

a) **Description of plan - Holcim Performance Share Plan:**

Holcim Limited (Erstwhile LafargeHolcim Limited), the Ultimate Holding Company, set up a performance share plan. Performance shares are granted to executives and senior management for their contribution to the continuing success of the business. These shares will be delivered after three year vesting period following the grant date and are subject to internal performance conditions. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC).

b) During the year, 15,000 (previous year - 13,800) performance share at fair value of ₹ 4,426 per share (previous year - ₹ 3,352 per share) were granted and ₹ 8.01 crore (previous year – ₹ 3.66 crore) is charged to the Consolidated Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding credit to the capital contribution from parent under other equity.)

c) Information related to the Performance Share Plan granted is presented below (in number)

Particulars	For the year ended 31st December 2021	For the year ended 31st December 2020
Opening Balance	26,400	15,000
Add : Granted during the year	15,000	13,800
Less : Forfeited during the year	5,400	2,400
Closing balance	**36,000**	**26,400**

d) Fair value of shares granted is determined based on the estimated achievement of Holcim Limited's (Erstwhile LafargeHolcim Limited) Earnings per Share, Return on Invested Capital and Sustainability indicators.

NOTE 66 - EXCEPTIONAL ITEMS

During the year ended 31st December 2021, there was a charge of ₹ 120.45 crore on account of restructuring costs to employees and contract staff.

NOTE 67 - RISK DUE TO OUTBREAK OF COVID-19 PANDEMIC

The Group has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. The Group has, at the date of approval of the consolidated financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of the same.

NOTE 68 - In December 2020, the CCI initiated an investigation against cement companies in India including the Company and its subsidiary, ACC Limited regarding alleged anti-competitive behaviour and conducted search and seizure operations in December 2020 against few companies. The Group has provided the information sought. The Group are of the firm view that it has acted and continues to act in compliance with competition laws. The Group is continuing to cooperate with the regulator. The Group believes that this does not have any impact on the financial statement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 69 - CODE ON SOCIAL SECURITY, 2020

The new Code on Social Security, 2020 (Code) has been enacted, which could impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE 70 - Figures below ₹ 50,000 have not been disclosed.

NOTE 71 - The Group has reclassified security deposits as below to give effect to incremental changes in Division II to Schedule III to the Companies Act, 2013

Description	Notes	Previously reported amount ₹ in crore	Revised amount ₹ in crore	Change ₹ in crore
Balance Sheet				
Non-current financial assets				
Loans	12	212.28	12.45	199.83
Other financial assets	13	1,184.09	1,383.92	(199.83)
Current financial assets				
Loans	19	62.06	8.85	53.21
Other financial assets	20	346.35	399.56	(53.21)

The accompanying notes are integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors

Rajani Kesari
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Rajiv Gandhi
Company Secretary

Martin Kriegner
Director
DIN - 00077715

Neeraj Akhoury
Managing Director & Chief Executive Officer
DIN - 07419090

Mumbai : 17th February 2022

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: investors.relation@ambujacement.com
Website: www.ambujacement.com

NOTICE OF THE 39TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY NINTH ANNUAL GENERAL MEETING of the Members of AMBUJA CEMENTS LTD. (**'the Company'**) is scheduled and will be held on Friday, April 29, 2022 at 2.00 p.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means ('OAVM') to transact the following business:-

Ordinary Business

1. To receive, consider and adopt:

   (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended December 31, 2021, together with the Reports of the Directors and the Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended December 31, 2021 and the Report of the Auditors thereon.

2. To declare a Dividend on equity shares for the financial year ended December 31, 2021.

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. Ranjit Shahani (DIN: 00103845), who retires by rotation and being eligible, offers himself for re-appointment.

5. **Appointment of Statutory Auditors and fix their remuneration.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. SRBC & CO. LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003) be and are hereby appointed as the Statutory Auditors of the Company (in place of Deloitte Haskins and Sells LLP, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the conclusion of the 39th Annual General Meeting of the Company till the conclusion of the 44th Annual General Meeting at such remuneration plus reimbursement of out-of pocket, travelling and living expenses etc., as recommended by the Audit Committee and approved by the Board of Directors."

   "RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), 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. **Approval for Material Related Party Transaction.**

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

   "RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 (**'Act'**) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, to the extent applicable, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'the Listing Regulations'**), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and the Company's Policy on Related Party Transactions (**'RPT'**) and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to the Board of Directors (**'the Board'**, which term shall include any Committee) or Key Managerial Personnel of the Company to enter into RPT with ACC Limited (**'ACC'**), the Subsidiary Company of the Company and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for the financial year 2022 up to a maximum aggregate value of ₹ 3,500 crores (Rupees Three Thousand Five Hundred crores only) in the ordinary course of business of the Company and at arm's length basis, in the nature of:

   a) Purchase and sale of cement, clinker, other raw materials and spare parts, job work for cement grinding;

   b) Rendering and receiving of services under common functions;

   c) Sale of cement for Ready Mix Concrete (RMX) business of ACC;

d) Reimbursements of employee costs under deputation paid and received;

e) Purchase or sale of other items such as preprocessed waste for Alternative Fuel and Raw Material and other small value assets;

f) Availing/rendering of any kind of service(s), or any other transaction(s) for transfer of resources, services or obligations and other reimbursements (**'Residual RPTs'**).

on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between the Company and ACC."

"RESOLVED FURTHER THAT the Board or Key Managerial Personnel of the Company, be and is hereby authorised to sign, execute, alter and/or negotiate all such deeds, agreements, contracts, transactions, applications, documents, papers, forms and writings that may be required, for and on behalf of the Company and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion to give effect to this Resolution and for resolving all such issues, questions, difficulties or doubts whatsoever that may arise in this regard."

7. Ratification of remuneration to the Cost Auditors.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. P.M. Nanabhoy & Co., Cost Accountants (Firm Registration No. 000012), appointed as the Cost Auditors of the Company by the Board of Director for the conduct of the audit of the cost records of the Company for the financial year 2022 at a remuneration of ₹9,00,000 (Rupees Nine Lakhs) per annum plus reimbursement of the travelling and other out-of- pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

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

Rajiv Gandhi
Company Secretary
(ACS No.: A11263)

Place: Mumbai
Date: March 23, 2022

EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out all the material facts relating to the Item Nos. 5, 6 & 7 of the accompanying Notice dated March 23, 2022.

In respect of item No. 5

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

The Members of the Company at the 34th Annual General Meeting (**'AGM'**) held on March 31, 2019 approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (**'DHS'**), as the Auditors of the Company for a period of five years from the conclusion of the said AGM. Accordingly, DHS will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 (**'the Act'**) read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of M/s. SRBC & CO. LLP, Chartered Accountants, (**SRBC**), (Membership No. 324982E/E300003), as the Statutory Auditors of the Company. If approved by the members, the appointment of SRBC as the Statutory Auditors will be for a period of five years commencing from the conclusion of this 39th Annual General Meeting till the conclusion of the 44th Annual General Meeting at such remuneration plus reimbursement of out-of pocket, travelling and living expenses etc.

M/s. SRBC was established in the year 2002. M/s. SRBC is a part of S. R. Batliboi & Affiliates network of audit firms, which are primarily engaged in providing audit and related assurance services to its clients in various industry segments. These audit firms have registered offices in Kolkata and other offices in 12 cities of India.

M/s. SRBC have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors, Key Managerial Personnel and other relatives are concerned or interested in the Resolution at Item no. 5 of the Notice.

The Board recommends the Ordinary Resolution at Item no. 5 of this Notice for the approval of the members.

In respect of item No. 6

Background

a) Both the Company and ACC Ltd. are part of the Holcim Group, which is the global leader in Cement and other building material products. Holderind Investments Limited (**'HIL'**) (a subsidiary of Holcim Ltd.) is the promoter of the Company and owns 63.11% of the issued and paid-up share capital of the Company. The Company is the promoter and holding company of ACC and owns 50.05% of the issued and paid-up share capital of ACC. HIL also holds 4.48% of the issued and paid-up share capital of ACC and is also a promoter of ACC.

b) Both the Company and ACC are engaged principally in the business of manufacturing, selling and dealing in cement of all kinds and other cement related products.

c) The Company and ACC have entered into various RPTs from time to time which are pre-approved by the Audit Committee and the Board as per Section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

d) The Shareholders of the Company had approved the Master Supply Agreement (**'MSA'**) between the Company and ACC through the Postal Ballot Resolution dated April 16, 2018. The Audit Committee and Board of Directors in the Meeting held on February 18, 2021 approved the continuance of the MSA for a further period of three years commencing from May 3, 2021 and up to May 2, 2024 as the overall MSA was within the limits prescribed in Regulation 23 of the Listing Regulations, i.e. within 10% of the consolidated turnover as per the latest audited financial statements.

e) Pursuant to the amendments in the Regulation 23 of the SEBI Listing Regulations, dated November 9, 2021, Material Related Party Transaction (**'Material RPT'**) is defined as a transaction entered/ to be entered into with a related party, individually or taken together with previous transactions, during a financial year, exceeding ₹1,000 crores or 10% of the consolidated turnover of the Company, whichever is lower, shall require prior approval of the members.

f) Since the aggregate value of the RPT of the Company with ACC (inter alia covering transactions relating to purchase and sale of cement, clinker, raw materials and spare parts, job work for cement grinding, rendering and receiving of services under common functions and other transactions relating to sale of cement for Ready

Mix Concrete business of ACC, reimbursements of employee costs under deputation paid and received and other reimbursements, purchase or sale of other items such as preprocessed waste for Alternative Fuel and Raw Material, other small value assets and Residual RPTs is expected to exceed the threshold of ₹ 1,000 crores during the financial year 2022, the Company is approaching the members for approval of the Material RPTs with ACC for the financial year ending December 31, 2022.

g) The value of RPTs with ACC for the period commencing from January 01, 2022 till the date of this Notice has not exceeded the threshold of ₹ 1,000 crores and the Company will ensure that the same does not exceed the said threshold upto the date of the 39th AGM, i.e. April 29, 2022.

h) The RPTs with ACC will help the Company achieve economies of scale and will be in the best interest of the members. Further, the objectives of the above RPTs are as follows:

- Achieving synergies and economies of scale;
- Bring efficiency in operational and logistics costs;
- Strengthen sustainability;
- Conserve natural resources;
- Stronger opportunities for talent growth and retention;
- Leverage knowledge pool across functions;
- Optimising utilisation of surplus resources.

i) The members may note that entering into RPTs is a common practice amongst companies to optimise synergies. They allow sharing of resources including material, production capacity, talent, knowledge etc. and serve in the best interest of shareholders of such companies, as long as the same are done on an arm's length basis and in the ordinary course of business to enhance shareholders' value. The Company has benefitted from such transactions with ACC in the past and hence the Material RPTs are recommended for approval of the members.

j) The quantum of the benefits realised by the Company from these RPTs are subject to multiple variables including market circumstances, demand and supply, seasonal and geographical variations and other external conditions that will impact each Company's ability to realise synergy benefits. Hence, while the objective is to ensure equitable sharing of benefits between the two Companies, the quantum of benefits realised by each Company may vary based on time, market conditions and opportunities.

k) The RPTs carried out with ACC will be reported and reviewed on a quarterly basis by the Board of Directors of the Company (including the Audit Committee of the Board).

The relevant information pertaining to transactions with ACC as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular vide. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is given below:

Sr. No.	Particulars	Information
The estimated total value of the Material RPTs is to be ₹3500 crores for the financial year 2022, the details of which are given below:		
a	Type, material terms and particulars of the proposed transactions	**(I) Transactions with respect to cement, clinker, raw materials, spare parts, toll grinding services etc. (can be in the form of Master Supply Agreement) upto an estimated amount of ₹3,000 crores:**

Sr. No.	Nature of Transaction	Basis of Price Arm's Length Pricing (ALP) confirmation/Material Terms	Justification
1.	Purchase and sale of cement	At Net Selling Price Less a discount of 5%	• Achieving synergies and economies of scale; • Reduce operational and logistics costs; • Strengthen sustainability and • Conserve natural resources
2.	Purchase and sale of clinker	At Ex-works Market price or if such price is not available, at Variable cost of clinker plus a mark-up of 35%	
3.	Purchase and sale of raw material and spare parts	At replacement cost or if such cost not available, at landed cost plus carrying cost of 8% per annum for the inventory holding period	
4.	Toll grinding services	Conversion charges at 8% of Gross Fixed Assets used in toll grinding plus Variable cost per tonne with a markup of 10%	

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Information</th></tr>
<tr><td></td><td></td><td>(II) Others, upto an estimated amount of ₹ 500 crores:
<table>
<tr><th>Sr. No.</th><th>Nature of Transaction</th><th>Basis of Price Arm's Length Pricing (ALP) confirmation/ Material Terms /Monetary value</th><th>Justification/ Material Terms/ Particulars of the contract or arrangement</th></tr>
<tr><td>1.</td><td>Transactions relating to rendering and receiving of services under common functions (in the form of Master Service Agreement).</td><td>At an estimated value of ₹ 150 crores</td><td>Cost of employee and employee related costs with a markup of 15%. Office space usage shall be billed at market rate of rent applicable in the relevant place. The margin is based on benchmarked margins earned by companies engaged in similar services.</td></tr>
<tr><td>2.</td><td>Deputation of employees</td><td>At an estimated value of ₹ 90 crores</td><td>At actual cost of deputed employees</td></tr>
<tr><td>3.</td><td>Sale of cement for RMX business</td><td>At an estimated value of ₹ 70 crores</td><td>At comparable third party/ arm's length prices</td></tr>
<tr><td>4.</td><td>Reimbursements received/ payable</td><td>At an estimated value of ₹ 50 crores</td><td>At comparable third party/ arm's length prices</td></tr>
<tr><td>5.</td><td>Other residual RPTs</td><td>At an estimated value of ₹ 140 crores</td><td>At actuals/ arm's length prices</td></tr>
</table></td></tr>
<tr><td>b</td><td>Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)</td><td>ACC Ltd., Subsidiary Company</td></tr>
<tr><td>c</td><td>Tenure of the proposed transactions</td><td>Upto December 31, 2022</td></tr>
<tr><td>d</td><td>Value of the proposed transactions</td><td>Estimated amount upto ₹ 3,500 crores [bifurcation of the amount mentioned in point (a) above]</td></tr>
<tr><td>e</td><td>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)</td><td>12.26%</td></tr>
<tr><td>f</td><td>If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary</td><td rowspan="8">Not Applicable</td></tr>
<tr><td></td><td>i) details of the source of funds in connection with the proposed transactions</td></tr>
<tr><td></td><td>ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</td></tr>
<tr><td></td><td>- nature of indebtedness</td></tr>
<tr><td></td><td>- cost of funds</td></tr>
<tr><td></td><td>- tenure</td></tr>
<tr><td></td><td>iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security</td></tr>
<tr><td></td><td>iv) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPTs</td></tr>
</table>

Sr. No.	Particulars	Information
g	Justification as to why the RPTs are in the interest of the listed entity	**(a) Transactions with respect to cement, clinker, raw materials, spare parts, toll grinding services etc:** The transactions are aimed at achieving synergies and economies of scale; reduce operational costs; strengthen sustainability; and conserve natural resources. **(b) Transactions relating to rendering and receiving of services under common functions:** The transactions are aimed at creating a common pool of common functions such as Technical services, Geocycle, Procurement and Taxation. The cost of employees of each department in the payrolls of each Company is charged to the other Company with a mark up of 15%. **(c) For Sale of Cement for RMX Business –** Sale of cement for ACC's RMX business is to optimise the cement capacity utilisation. **(d) For Reimbursements received/ paid:** The transactions will be purely on the basis of day to day business requirements. **(e) For Deputation in/ out of employees:** The transactions aims at better manpower deployment in various roles, purely on the basis of organisational needs, which will ultimately lead to better utilisation and productivity. **(f) For Residual RPTs:** The transactions will be purely on the basis of day to day business requirements.
h	A copy of the valuation or other external party report, if any such report has been relied upon	The transactions do not contemplate any valuation.
i	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transactions will be made available through the registered email address of the shareholders	Not Applicable
j	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPTs on a voluntary basis	22.13% (as per the financial statements of ACC for the year ended December 31, 2021)
k	Name of the Director or KMP who is related, if any	None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested financially or otherwise in Item no. 6 of the Notice except to the extent of their shareholding, if any, in the Company. The Company and ACC have the following common Directors: Mr. Narotam Sekhsaria, Mr. Jan Jenisch, Mr. Martin Kriegner, Mr. Neeraj Akhoury and Mr. Shailesh Haribhakti.
l	Any other information that may be relevant	(i) The Material RPTs proposed to be entered into on a 'Non Exclusive Basis' between the two companies and therefore the companies are free to enter into similar contract(s)/ arrangement(s)/ transaction(s) with any other companies. (ii) The Company and ACC are in a Holding-Subsidiary company relationship and constitute a 'Single Economic Entity' under Competition Law. (iii) The transactions with respect to cement, clinker, raw materials, spare parts, toll grinding services etc. with ACC will result in incremental benefits to each company in comparison to operations without the said transactions. This shall be achieved through: • optimisation of the cost to service market by using each other's plant capacities where relevant; • maximise utilisation of assets to generate additional sales for each Company in a financial year; and • utilisation of spare inventory (raw materials and spare parts), as needed. (iv) Both the Company and ACC will sell cement purchased from each other under its own brands. (v) The goods and services supplied shall meet the quality standards of the buying company.

The proposed RPTs to be entered with ACC are in the ordinary course of business and on arm's length basis.

The Audit Committee and the Board of Directors of the Company have approved the said material related party transactions with ACC as set out in Item No. 6 of the accompanying Notice for the approval of the members of the Company.

As per Regulation 23 of the Listing Regulations, all Related Parties irrespective of the fact that whether they are a party of the proposed Material RPT or not shall not vote on the proposed resolution. Accordingly, Holderind Investments Limited, being the Holding Company and other entities of the Holcim group will not vote to approve this resolution.

The Board recommends the Ordinary Resolution at Item no. 6 of this Notice for the approval of the members.

In respect of item No. 7

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 2022 at a remuneration of ₹ 9,00,000/-(Rupees Nine Lakhs) 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.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item no. 7 of the Notice.

The Board recommends the Ordinary Resolution at Item no. 7 of this Notice for the approval of the members.

By order of the Board of Directors

Rajiv Gandhi
Company Secretary
(ACS No.: A11263)

Place: Mumbai
Date: March 23, 2022

ANNEXURE TO ITEMS. 3 & 4 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. Ranjit Shahani
DIN	01680305	00103845
Date of Birth	April 25, 1958	August 18, 1949
Nationality	Switzerland	Indian
Date of Appointment on the Board	December 9, 2015	April 1, 2019
Qualifications	Masters in Banking and the Advanced Management Program at Harvard Business School.	Mechanical Engineer from IIT Kanpur and MBA from Jamnalal Bajaj Institute of Management Studies
Expertise in specific functional area	M&A, Corporate Finance & Treasury	Operations & Management
Number of shares held in the Company	Nil	Nil
List of the directorships held in other companies*	Nil	i) Hikal Ltd. ii) J.B. Chemicals & Pharmaceuticals Ltd. iii) Wellness Forever Medicare Ltd.
Resignation details in the listed entities during the last three years.	i) ACC Ltd. (w.e.f 20.02.2020)	Nil
Number of Board Meetings attended during the year 2021	6 of 6	6 of 6
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil	Chairman: Ambuja Cements Ltd. - Stakeholders Relationship Committee Member: i) Wellness Forever Medicare Ltd. - Audit Committee ii) J.B. Chemicals and Pharmaceuticals Ltd. - Audit Committee
Relationships between Directors inter-se	None	None
Remuneration details (Including Sitting Fees & Commission)	Refer Corporate Governance Report	Refer Corporate Governance Report

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

Notes:-

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 20/2020, 02/2021 and 19/2021 dated 5th May, 2020, January 13, 2021 and December 8, 2021 respectively, and clarification circular No. 21/2021 dated December 14, 2021 issued by the Ministry of Corporate Affairs (**'MCA Circulars'**) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**), the 39th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 39th AGM shall be the Registered Office of the Company.

2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (**'the Act'**), in respect of the Item nos. 5 to 7 set above and the details as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (**SS-2**) in respect of the Directors seeking appointment/ re-appointment at this Annual General Meeting is annexed hereto.

3. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 39th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.

5. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter to the Company or upload on the VC portal / e-voting portal.

6. **Record Date:** The Record date for payment of dividend has been fixed as **Friday, April 1, 2022**.

7. **Dividend:** The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on **Friday, April 1, 2022** as per the downloads furnished to the Company by Depositories for this purpose, in physical mode, if their names appear in the Company's register of members as on **Friday, April 1, 2022**.

   The final dividend will be paid on and from May 5, 2022.

8. 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.

9. **Procedure for registration of email address:** Notice of the 39th AGM and other documents are being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

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

   a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address at: investors.relation@ambujacement.com

   b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

10. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2021 will also be available on the Company's website www.ambujacement.com for their download. The same shall also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL https://www.evotingindia.com. Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the original Notice calling the 39th AGM along with the Annual Report for Financial Year 2021 has already been sent by electronic mode to those Members whose E-mail addresses are registered with the DPs or the Company/LinkIntime, unless the Members have requested for a physical copy of the same.

11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of 39th AGM, i.e. April 29, 2022. Members seeking to inspect such documents can send an email to investors.relation@ambujacement.com

12. Members desiring any information relating to the accounts or any other matter to be placed at the AGM, are requested to write to the Company on or before April 25, 2022 through email on investors.relation@ambujacement.com.

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

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

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

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

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

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

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

17. **Share Transfer permitted only in Demat:** As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above

and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialising of their physical shares.

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

LINK INTIME INDIA PVT. LTD. (Unit: Ambuja Cements Ltd.) C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083. Tel. No. (022) 4918 6000/49186270. Email: rnt.helpdesk@linkintime.co.in.

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

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

Financial Year	Date of Declaration	Tentative Date for transfer to IEPF
Financial 2014 (Final)	18.02.2015	06.05.2022
Financial 2015 (Interim)	27.07.2015	30.08.2022
Financial 2015 (Final)	10.02.2016	12.04.2023
Financial 2016 (Interim)	26.07.2016	29.08.2023
Financial 2016 (Final)	20.02.2017	29.04.2024
Financial 2017 (Interim)	24.07.2017	29.08.2024
Financial 2017 (Final)	20.02.2018	15.07.2025
Financial 2018 (Final)	18.02.2019	29.04.2026
Financial 2019 (Interim)	12.05.2020	11.06.2027
Financial 2020 (Interim)	22.10.2020	25.10.2027
Financial 2020 (Final)	18.02.2021	13.06.2028

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

Any member, who has not claimed final dividend in respect of the financial year ended December 31, 2014 onwards is requested to approach the Company/ the Registrar and Share Transfer Agents of the Company for claiming the same as early as possible but not later than March 31, 2022 for final dividend of F.Y. 2014 and June 30, 2022 for interim dividend of F.Y. 2015.

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.

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

During the Financial year 2021, unclaimed final dividend for the Financial year 2013 aggregating to ₹ 1,41,84,710/- and interim dividend for Financial year 2014 aggregating to ₹ 118,87,056/- and the 1,92,635 Equity shares in respect of which dividend entitlements remained unclaimed for 7 consecutive years or more, have been transferred by the Company to Investor Education and Protection Fund established by Central Government (IEPF).

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

21. **Voting:-**

All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely **April 22, 2022** only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting.

I. Voting Through Electronic Means (Prior to AGM)

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

3. The Company has appointed Mr. Surendra Kanstiya Associates, Practicing Company Secretary, to act as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner and he has communicated his

willingness to be appointed and will be available for the same purpose.

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

5. Any person who becomes a Member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. **April 22, 2022** may obtain the login details in the manner as mentioned below.

   The instructions for shareholders voting electronically are as under:

   The voting period begins on **Monday, April 25, 2022 at 10:00 a.m. and ends on Thursday, April 28, 2022 at 5:00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date of April 22, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(i) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of SEBI Listing Regulations listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

   Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

   In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(ii) In terms of **SEBI** circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. (Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.)

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iii) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • 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.

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

(v) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

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

(vii) Click on the EVSN for the relevant AMBUJA CEMENTS LTD. on which you choose to vote.

(viii) 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.

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

(x) 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.

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

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

(xiii) 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.

(xiv) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; investors.relation@ambujacement.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

(xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022- 23058542/43

II. Instructions for Shareholders for E-Voting during the AGM are as under:-

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

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

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

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

22. Instructions for Shareholders attending the AGM through VC/OAVM are as under:

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

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

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

System requirements for best VC experience:

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

Browser: Google Chrome: Version 83 or latest Mozilla Firefox: Version 78+ or latest Microsoft Edge Chromium: Version 72 or latest Safari: Version 13+ or latest Internet Explorer: Not Supported

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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

23. Process for those Shareholders whose email/ mobile no. are not registered with the depositories for procuring User ID and Password for E-Voting.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of AADHAAR Card) by email to investors.relation@ambujacement.com

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please refer to Point No 5(ii) for details.

24. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to investors.relation@ambujacement.com from April 15, 2022 (9:00 a.m. IST) to April 20, 2022 (5:00 p.m. IST).

25. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

26. Members who need assistance before or during the AGM, can contact CDSL by sending an email to helpdesk.evoting@cdslindia.com or call at 022-23058738, 23058542/43.

27. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

NOTES

NOTES

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. N.S. Sekhsaria
Chairman and Principal Founder

Mr. Jan Jenisch
Vice Chairman

Mr. Nasser Munjee

Mr. Rajendra P. Chitale

Mr. Shailesh Haribhakti

Dr. Omkar Goswami

Ms. Shikha Sharma

Mr. Christof Hassig

Mr. Martin Kriegner

Ms. Then Hwee Tan

Mr. Mahendra Kumar Sharma

Mr. Ranjit G. Shahani

Mr. Praveen Kumar Molri

Mr. Ramanathan Muthu

Mr. Neeraj Akhoury
Managing Director & CEO

CHIEF FINANCIAL OFFICER

Ms. Rajani Kesari

COMPANY SECRETARY

Mr. Rajiv Gandhi

EXECUTIVE COMMITTEE

Mr. Neeraj Akhoury
Managing Director & CEO

Ms. Rajani Kesari
Chief Financial Officer

Mr. Sukuru Ramarao
Chief Manufacturing Officer

Mr. Rajiv Kumar
Chief Commercial Officer

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

Mr. Manoj Chhura
Chief Procurement Officer

Mr. Rahul Maitra
Chief Human Resource Officer

COMMITTEES OF BOARD

Audit Committee

Mr. Rajendra P. Chitale *(Chairman)*
Mr. Nasser Munjee
Ms. Shikha Sharma
Dr. Omkar Goswami
Mr. Mahendra Kumar Sharma
Mr. Martin Kriegner
Mr. Neeraj Akhoury - *Permanent Invitee*

Nomination and Remuneration Committee

Mr. Nasser Munjee *(Chairman)*
Mr. N.S. Sekhsaria
Mr. Martin Kriegner
Mr. Shailesh Haribhakti
Dr. Omkar Goswami
(w.e.f January 1, 2022)
Ms. Shikha Sharma
(w.e.f January 1, 2022)
Mr. Neeraj Akhoury - *Permanent* Invitee

Stakeholders' Relationship Committee

Mr. Ranjit Shahani *(Chairman)*
Mr. Rajendra Chitale
Dr. Omkar Goswami
Mr. Neeraj Akhoury

CSR Committee

Mr. N.S. Sekhsaria, *(Chairman)*
Mr. Nasser Munjee
Mr. Rajendra Chitale
Mr. Mahendra Kumar Sharma
Mr. Martin Kriegner
Mr. Neeraj Akhoury
Mrs. Pearl Tiwari - *Permanent invitee*

Risk Management Committee

Mr. Rajendra Chitale *(Chairman)*
Mr. Nasser Munjee
Mr. Shailesh Haribhakti
Mr. Neeraj Akhoury

Compliance Committee

Mr. Nasser Munjee *(Chairman)*
Dr. Omkar Goswami
Mr. Shailesh Haribhakti
Ms. Then Hwee Tan
Mr. Neeraj Akhoury

Sustainability Committee (w.e.f January 1, 2022)

Mr. Martin Kriegner *(Chairman)*
Mr. N.S.Sekhsaria
Mr. Nasser Munjee
Mr. Ranjit Shahani
Mr. Mahendra Kumar Sharma
Mr. Neeraj Akhoury

AUDITORS

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

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

M/s.Rathi & Associates
(Secretarial Auditors)

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