Secretarial Division

ACC Limited
Registered Office
Cement House
121, Maharshi Karve Road
Mumbai 400 020, India

CIN: L26940MH1936PLC002515

Phone +91 22 3302 4321
Fax +91 22 6631 7458
www.acclimited.com

March 22, 2019

General Manager – Department of Corporate Services
BSE Limited
Pheroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 500410

Dear Sir

Re.: Annual Report for the year ended 2018

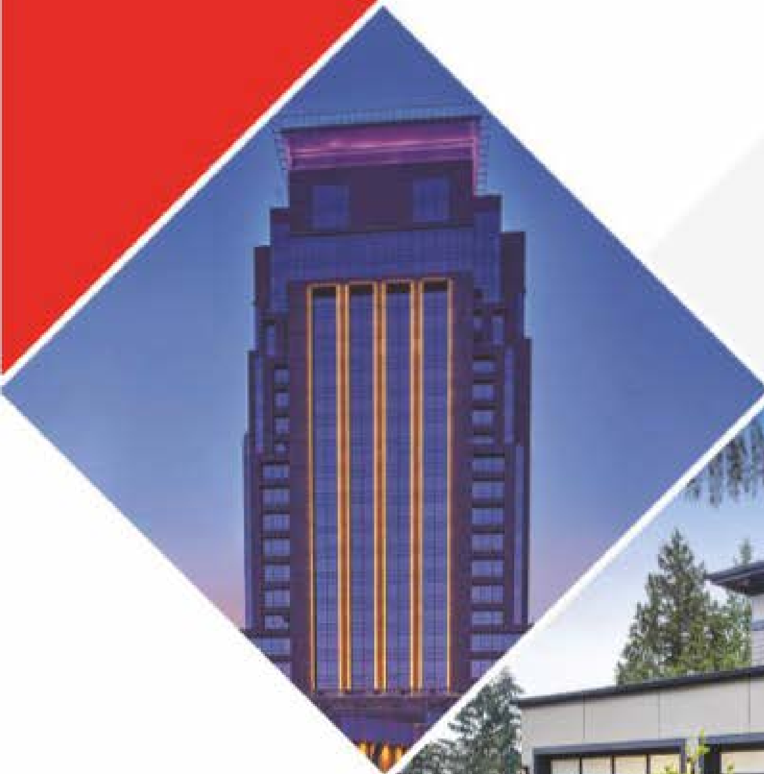
As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing the Annual Report duly approved and adopted by the Members at their Annual General Meeting held today, as per the provisions of the Companies Act, 2013.

Yours faithfully,
For ACC Limited

Ramaswami Kalidas
Company Secretary & Head Compliance
FCS-2440

ACC

ACC LIMITED
83rd ANNUAL REPORT 2018



Building a **FUTURE**
Cemented in **TRUST**

Contents

ANNUAL GENERAL MEETING
On Friday, March 22nd, 2019 at 3.00 pm
Pama Thadani Auditorium,
Jai Hind College, A Road,
Churchgate (W), Mumbai 400 020

REGISTERED OFFICE
Cement House,
121, M K Road,
Mumbai 400 020
Website : www.acclimited.com

Strong Partnerships. Tailored Solutions

Chairman's Message

Dear Shareholders,

I am very pleased to inform you about ACC's performance in 2018 – a year when your Company transformed many parts of its business to deliver a strong performance on many fronts – financially, socially and sustainably. For decades now, ACC has stood for excellence in the quality of its products and in the delivery of its financial performance. 2018 was no exception, with your Company delivering healthy volume and profit growth. ACC's consolidated operating EBITDA grew by 11% and Profit Before Tax grew by 21% YoY, on a normalised basis.

The rising costs of fuel, power, raw materials and rake availability continued to be of concern, as did the continuance of 28% rate of GST levied on cement. On the other hand, cement demand continued to be healthy, buoyed by strong economic growth. The cement sector grew by ~8.5% in 2018 versus ~6% in the previous year.

Against this backdrop, ACC managed to improve its performance metrics in volume and market share gains, backed by sharper customer focus, innovative products, customised solutions, operational improvements and tighter cost management. During the year, we launched ACC F2R SUPERFAST – a revolutionary cement with superior strength, superfine quality and superfast setting and ACC LeakBlock – a high performance waterproofing compound, marking ACC's foray into the category of construction chemicals. Our ready mix concrete business continues to grow exponentially.

In Union Budget 2019, the Government has committed to further augment the infrastructure sector - railways, roads, highways and irrigation projects. We believe that their efforts to increase investment across several sectors will have a favourable impact which will stimulate cement demand and boost economic growth.

To serve the growing demand for cement, we are investing in capacity expansion projects that will add 5.9 million tonnes of cement capacity through a greenfield integrated cement plant at Ametha in Madhya Pradesh, with a grinding unit in Uttar Pradesh and expansion of our Tikaria and Sindri plants over a period of three years. This investment will further strengthen our market footprint and contribute to the Company's future growth.

Going beyond the economic returns, at ACC, we believe that economic, social and environmental values are interlinked and are part of an interdependent ecosystem comprising Consumers, Shareholders, Employees, Government, Partners, the Environment and Society.

We are proud to present the Company's first Integrated Report that articulates our holistic approach in creating shared value for our investors, customers, employees and the community at large. The report highlights the concept and deployment of the Six Capitals: Financial, Manufactured, Intellectual, Human, Natural and Social & Relationship.

Aligned with our Sustainable Development 2030 Plan, we are reducing our dependence on conventional energy using solar power at our units beginning with Kudithini, Thondebhavi and Jamul and improving water positivity through extensive rainwater harvesting projects. I am very proud to inform you that your Company became the first cement company in India to publish an Environment Product Declaration (EPD) for its blended cement products manufactured across all its plants. In 2018, your Company's community development programmes touched the lives of almost half a million people in 185 villages across India.

I would like to thank our ACC *parivar* of employees, our channel partners, suppliers, and others, who worked tirelessly to deliver a strong performance in 2018.

I thank you dear shareholders for your confidence and trust. I look forward to your continued support so that together we can build a company that delivers excellence, time and again.

Narotam Sekhsaria

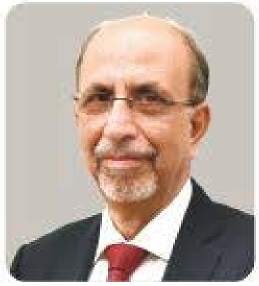
Board of Directors

1. Mr N S Sekhsaria
   Chairman
2. Mr Jan Jenisch
   Deputy Chairman
3. Mr Neeraj Akhoury
   Managing Director & Chief Executive Officer
4. Mr Martin Kriegner
5. Mr Ashwin Dani
6. Mr V K Sharma
7. Ms Falguni Nayar
8. Mr Arunkumar R Gandhi
9. Mr Farrokh K Kavarana
10. Mr Sushil Kumar Roongta
11. Mr Christof Hässig
12. Mr Shailesh Haribhakti

Executive Committee

Mr Neeraj Akhoury
Managing Director & Chief Executive Officer

Mr Sunil Nayak
Chief Financial Officer



Mr Behram Sherdiwala
Chief People Officer

Mr Philip Mathew
Chief Manufacturing Officer

Mr Procyon Mukherjee
Chief Procurement Officer

Mr Ashish Prasad
Chief Marketing Officer and Head - New Products & Services

Mr B Sridhar
Chief Commercial Officer

Ms Sonal Shrivastava
Head of Strategy and Chief Supply Chain Officer

AUDIT COMMITTEE
Mr Arunkumar R Gandhi, *Chairman*
Mr Martin Kriegner
Mr Sushil Kumar Roongta
Mr Ashwin Dani
Mr Farrokh K Kavarana

STAKEHOLDERS' RELATIONSHIP COMMITTEE
Mr Farrokh K Kavarana, *Chairman*
Mr Shailesh Haribhakti
Mr Arunkumar R Gandhi
Mr Neeraj Akhoury

NOMINATION & REMUNERATION COMMITTEE
Mr Ashwin Dani, *Chairman*
Mr N S Sekhsaria
Mr Martin Kriegner
Mr Shailesh Haribhakti
Mr Farrokh K Kavarana

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr Shailesh Haribhakti, *Chairman*
Ms Falguni Nayar
Mr Farrokh K Kavarana
Mr Neeraj Akhoury

RISK MANAGEMENT COMMITTEE
Mr Shailesh Haribhakti, *Chairman*
Ms Falguni Nayar
Mr Sushil Kumar Roongta
Mr Neeraj Akhoury

COMPLIANCE COMMITTEE
Mr Farrokh K Kavarana, *Chairman*
Mr Shailesh Haribhakti
Mr Sushil Kumar Roongta
Mr Neeraj Akhoury

CHIEF FINANCIAL OFFICER
Mr Sunil Nayak

COMPANY SECRETARY & HEAD COMPLIANCE
Mr Ramaswami Kalidas

AUDITORS
Statutory Auditor
Deloitte Haskins & Sells LLP

Cost Auditor
D C Dave & Co.

Secretarial Auditor
Pramod S Shah & Associates

BANKERS
State Bank of India
Citibank NA
HDFC Bank

At a Glance

ACC

India's leading cement brand

17
Cement plants

75
Ready Mix Concrete plants

28.4
Million tonnes of cement sold

₹ 14,477
Crore net sales

6,731
Employees

50,000+
Dealers & Retailers

4,80,000
People benefited from CSR Initiatives

3,79,883
Tonnes of waste processed

27,769
Houses built through Green Building Centres

ACC has received the highest recognition of 'Outstanding Accomplishment' in the Corporate Excellence category at the

CII-ITC Sustainability Awards 2018

Performance Highlights*

(Standalone Financial)

Net Sales, Operating EBITDA & Operating EBITDA Margin

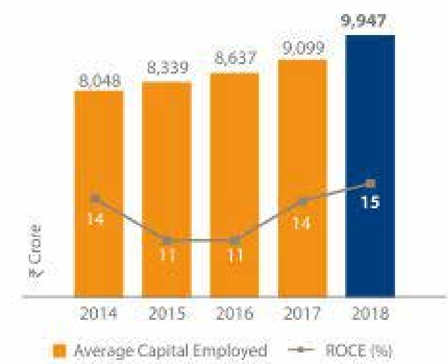
Cement Operating EBITDA & Operating EBITDA Margin

Cement Sales Volume & Growth

Ready Mix Concrete Operating EBITDA & Operating EBITDA Margin

Profit Before Tax & Profit AfterTax

Average Capital Employed & Return on Capital Employed (ROCE)



 # Includes write-back of ₹ 501 Crore relating to tax provisions

** Figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP*

Performance Highlights*

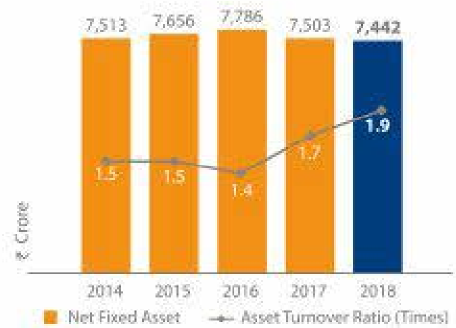
(Standalone Financial)

Dividend Per Share, Earnings Per Share and Dividend Payout Ratio**

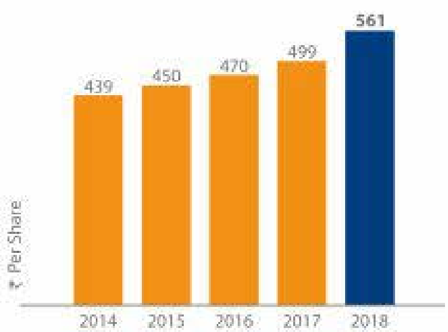
**Dividend payout ratio is calculated without considering dividend distribution tax

EPS is calculated excluding write back of tax provision

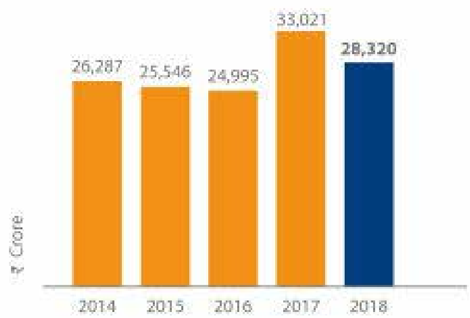
Net Fixed Assets & Asset Turnover Ratio



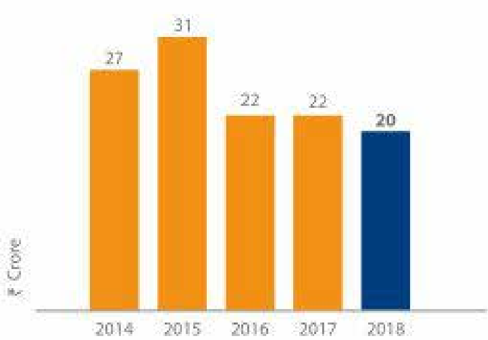
Book Value Per Share



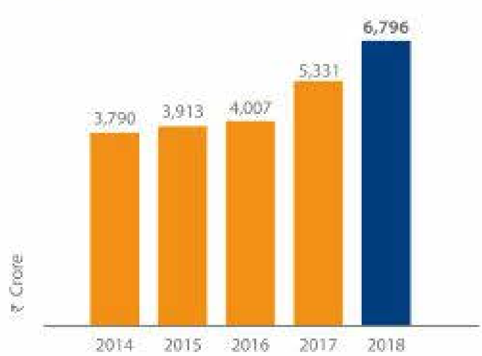
Market Capitalisation at Year End



Corporate Social Responsibility Expenditure



Contribution to Exchequer

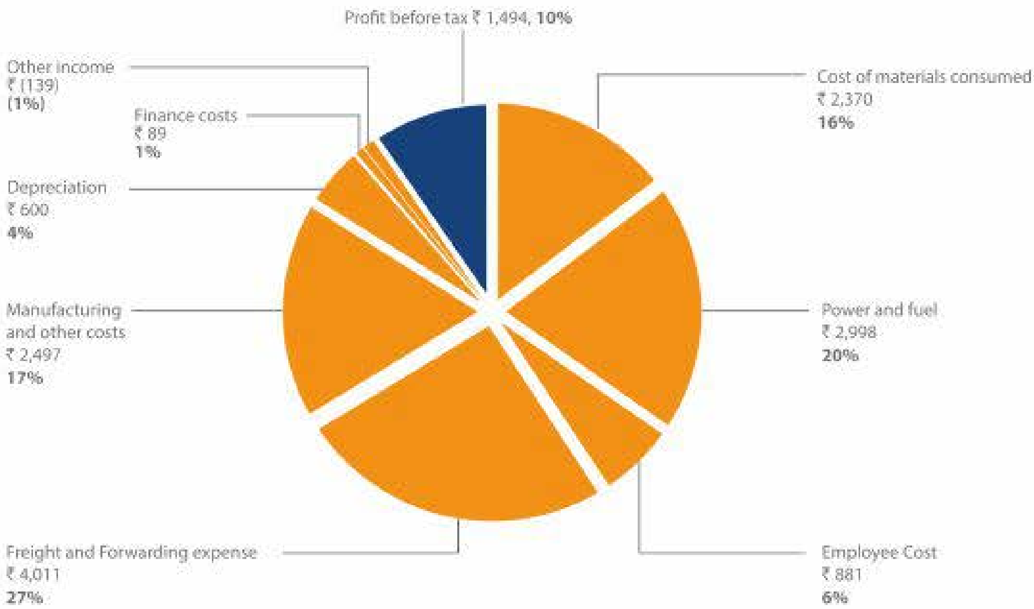


*Figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP

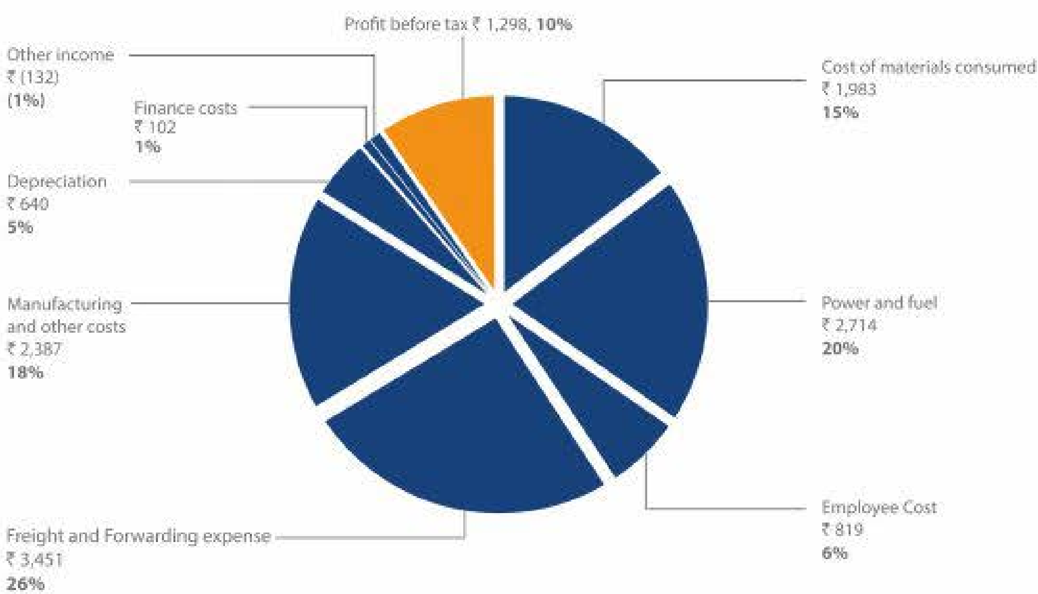
Cost & Profit as a Percentage of Revenue from Operations (Net)

All figures are in ₹ crore

2018



2017




ACC
ACC
ACC
ACC
PPEs KIT
ACC
PPEs KIT

INTEGRATED REPORT

Our Vision

To be one of the most respected companies in India; recognised for challenging conventions and delivering on our promises.

Our Purpose

To be a driving force in creating a confident future for our people, our customers, our shareholders and our nation.

Value creation over time: An integrated approach

At ACC, we believe in being conscious about the usage of resources to create a product or service. We remain committed to a sustainable model of business – one that leads us to make judicious use of resources and mitigate negative impacts of our business, demonstrate strong corporate governance and create and maximise long-term value for shareholders, customers and employees alike. Through ACC's first Integrated Report, we aim to share this holistic approach in creating shared value for our investors, customers, employees and the community.

The organisation's heritage gives it the propensity to appreciate its relationships not only within its immediate and ambient surroundings but also beyond these boundaries, to be conscious of interdependence with a larger circle of stakeholders, the planet and its people. Integrated Reporting expands this perspective further from the framework of the Triple Bottom Line to an understanding of the six capitals we use in our operations and in engaging them, how we create value for all stakeholders. Among the highlights of this report is the concept and deployment of the six capitals: Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Natural Capital and Social & Relationship Capital.

In preparing our Integrated Report, we are guided by the Integrated Reporting <IR> Framework laid down by the International Integrated Reporting Council. It forms part of our Annual Report 2018 and seeks to provide information on the holistic performance of the company. It presents an overview of our business and associated activities that help in long-term value creation. The intent of this report is to communicate with greater transparency, offer better disclosures and provide our stakeholders with a well rounded view of the organisation.

We advise that this report be read in conjunction with all the components of the Annual Report 2018 – Financial Statements, Report of the Board of Directors and Annexures thereto.

We remain committed to a sustainable model of business – one that leads us to make judicious use of resources and mitigate negative impacts of our business, demonstrate strong corporate governance and create and maximise long-term value for shareholders, customers and employees alike.

Governance Framework

ACC is a professionally managed company functioning under the overall supervision of the Board of Directors. The Board comprises Independent and Non-Independent Directors, including an Independent Woman Director in keeping with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

ACC rigorously abides by the core principles of Corporate Governance, which form the bedrock of its two-fold governance, with the Board of Directors and the Committees at the apex level and the Management structure at the operation level.

The Board and its Committees guide, support and complement the Management team which in turn assumes accountability and endeavours to achieve set objectives and enhances stakeholder value.

Our core principles include:

Strategic oversight

The Board defines the long term vision for the Company and directs the Management to convert opportunities into growth and minimise business risks. The Board offers fresh perspectives on strategic matters, approves business plans and annual budgets and monitors performance.

Reinforcing a risk culture

The Risk Management Committee of the Board evaluates business risks and monitors the movement of these risks based on their likelihood and impact, and evaluates the management's risk mitigation plans.

Accountability

The Board directs and guides the activities of the Management towards achieving goals and seeks accountability. It is responsible for reviewing and approving quarterly and half yearly unaudited financial statements and the audited annual financial statements, both Standalone and Consolidated, within the prescribed timelines under the SEBI Regulations and under the Companies Act, 2013.

Compliance with laws and regulations

The Board has approved a Code of Business Conduct applicable to Members of the Board and to all employees. The Company also has robust systems in place to ensure compliance with laws and regulations which impact its business.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee of the Board monitors the implementation of the CSR programmes in line with the CSR Policy as approved by the Board. It regularly reviews progress on the Company's sustainable development efforts.

Board Effectiveness: Well-defined guidelines and rules ensure the effectiveness and probity of all aspects of the functioning of the Board and its supervision of the overall performance of the Company. These include a familiarisation programme for Independent Directors and the Board's annual evaluation of its performance which is a very transparent process.

Integrity, transparency, fairness, accountability and compliance with the law are embedded in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level.

Stakeholder Engagement

We have a large population of stakeholders from diverse groups across the country – from our workforce to shareholders, customers, channel partners, vendors and communities, government and other associates.

Being part of the global LafargeHolcim Group, we have links with stakeholders beyond our borders. We conduct stakeholder analysis periodically, the last one was in 2018 where we undertook detailed stakeholder identification, understanding and interface, and influence mapping followed by stakeholder prioritisation.

Stakeholders were mapped in terms of their importance to ACC and their levels of influence, threat and cooperation. The accompanying matrix presents Stakeholders' Importance, Influence & Threat to ACC on X-axis and ACC's Engagement, Cooperation & Influence on stakeholders on Y-axis.

Engagement, Influence and Cooperation / Importance, Influence and Threat	Low	High
High	Suppliers, Subcontractors	Government / Regulators Local Communities Shareholders Customers Channel Partners Employees Owners, Investors and Financiers Social Workers / NGOs
Low	Competitors Consultants and Advisors Influencers Industry and Associations Global Community National Community Future Stakeholders Activists Employee Families	Mass Media

In keeping with our approach of continuous and transparent communication on performance and value creation, we proactively and continuously reach out to our stakeholders. The frequency and forum of communication is customised to meet their needs and the requirements of the Company.

Shareholders & Investors

We communicate with shareholders and investors in various ways including quarterly financial disclosures, investor presentations, annual reports, sustainable development reports and other disclosures made by the Company from time to time. We also have interactions through investor meets and at Annual General Meetings. Engaging with investors enables us to get useful feedback and insights which serve as inputs for sustainable growth.

Customers

ACC follows a customer-centric philosophy to ensure that customers get the best value from our products and services and are enriched by the experience. This philosophy exacts superior products, services and logistics. Customer relationship management systems are applied to manage transactions, queries and other interactions efficiently. A variety of routine studies and dipstick surveys are conducted to understand their needs. Our customers enjoy a range of blended cements and value added concrete solutions with superior features suitable for different applications and local conditions. New products and solutions are developed based on our in-depth understanding of consumer requirements. Beyond products, we add value through support initiatives that include a Helpline active seven days of the week. Our digital initiatives of Retail Connect and Dealer Connect mobile apps are well accepted.

Employees

Employees are the backbone of our Company. Direct and indirect means such as frequent meetings, one-on-one interactions, email messages, video conferences, interactive intranet portals, newsletters, webcasts and other events are used as channels to provide feedback and suggestions to help make continuous improvement in the governance of the organisation and quality of the services we offer. The aim is to build a strong chain of accountability within the organisation towards meeting stakeholder needs.

Communities & NGOs

As responsible corporate citizens, we recognise our role in building the communities around our operations, many of which are located in remote areas. For decades, ACC has invested in the development of rural communities especially in terms of health, livelihood, agriculture, education, women empowerment and Water, Sanitation and Hygiene (WASH). Through ACC TRUST and in collaboration with NGOs, we assist these communities by identifying, prioritising and meeting their developmental aspirations through periodic assessment surveys and Corporate Social Responsibility (CSR) programmes, touching the lives of lakhs of people. ACC's CSR agenda meets requirements of Schedule VII of the Companies Act, 2013 and is in accordance with all of the UN Sustainable Development Goals except four which are not directly applicable to our operations.

Government & Regulatory Authorities

We hold various interactions with regulators and government bodies and are committed to providing timely and accurate information and reports. This enables us to understand their focus areas and concerns and in turn help us provide key insights on market conditions and practices in our business.

Dealers & Retailers

ACC is recognised as a brand which consistently meets high standards in quality and packaging. Our sales force ensures timely delivery and regular supply of products and services which is supported by digital technology such as Retail Connect and Dealer Connect mobile apps. Apart from sales calls and regular visits, activities such as dealer engagements and Annual Dealer Meets help in affirming long term relationships. To ascertain levels of satisfaction among ACC dealers, we use tools such as Net Promoter Score and surveys.

Vendors & Suppliers

We enjoy strong partnerships with our vendors and suppliers and engage with them regularly. All agreements with suppliers, such as purchase orders, purchase agreements, service agreements and frame agreements have to refer to the supplier's compliance with SA8000 audit certification, environmental management, legal compliance requirements and social causes, including human rights aspects and ethical requirements.

Media

ACC maintains transparency in all its communications and makes frequent disclosures through press releases, publishes articles and news, organises meetings and interviews. Utilising digital and social media, we also communicate a range of topics from our CSR activities and innovative new products to thoughts on the cement industry and our performance. Creative sales and marketing campaigns are devised to reach out to customers that enable visibility and frequent contact, including those that are close to the point of purchase.

Construction Professionals

ACC provides products and services with assured quality and supports construction professionals with quality information on the best use of products. Using exhibitions, workshops and information kiosks, we promote good and safe construction practices, and periodically felicitate top construction professionals.

Industry Associations

ACC is an active member of important industry organisations such as Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII), Indian Merchant Chambers (IMC) and other associations. These associations serve as platforms for knowledge building, networking, assessing the effect of government policies and international trends, and sharing of industry best practices through participation in seminars. ACC also participates in competitive awards organised by these associations and regularly receives recognition that augments brand trust and value.

The Six Capitals: Resources & Value Creation

We acknowledge that a company with purpose recognises the various forms of tangible and intangible resources at its disposal and their deployment in a manner that leads to long term value creation.

Financial Capital	Resources needed to conduct our business obtained from debt and equity financing and funds generated through our business operations and investments.
Manufactured Capital	Our technological and engineering strength is made up of a countrywide network of cement and ready mix concrete plants, buildings and infrastructure equipped with a wide range of machinery for each stage of the manufacturing and distribution chain.
Intellectual Capital	Our knowledge, experience and proven expertise comprising our Intellectual Properties along with a vast body of accomplishments across a wide range of disciplines covering different aspects of cement and concrete technology, manufacturing, distribution, marketing and overall management acquired over decades.
Human Capital	Our dynamic and dedicated workforce includes men and women from diverse ethnic, social and educational backgrounds, representing the Company's 'Ultimate Resource'. Our robust people development programmes are designed to enhance their skills and capabilities.
Natural Capital	Natural capital comprises all renewable and non-renewable environmental resources and processes that support the past, current and future prosperity of the organisation and the country. It includes air, water, land, minerals and forests as well as biodiversity and the ecosystem.
Social & Relationship Capital	The enduring bonds and deep relationships with communities around our operations, channel partners, associates and the extended family of our primary and secondary stakeholders are at the heart of our business.

Financial Capital

Our commitment to growth, financial prudence, disciplined capital allocation and shareholder returns are shared goals of the company.

Financial Capital is the economic value that we generate through our business and the value we distribute back to stakeholders. For over 80 years, one of our Company's fundamental objectives has been to manage the financial health of the balance sheet, mobilise and utilise financial resources in a way that it maximises returns and enhances shareholder wealth.

We invest where we can achieve returns which further create value across all six capitals, add sustainable value to stakeholders and reward our shareholders for their investment.

To remain competitive, we focus on leveraging production and supply-chain efficiencies, cost optimisation, and bottom line improvement.

In 2018, ACC reported strong performance in both its cement and concrete businesses, growing net sales by 12% and PBT by 15% YoY. Operating EBITDA growth was up by 7%, achieved by executing a set of priorities, both on revenue and cost levers, improving efficiency, leveraging our premium products portfolio and strengthening our customer and market approach.

The Company's ready mix concrete business registered significant growth during the year through focus on profitable construction segments and value added solutions delivered to large projects.

Key Inputs	₹ crore
Current assets	6,726
Capital employed	10,528
Net worth	10,528
Net fixed assets	7,442

Business Activities

- Maximise shareholder value
- Financial planning and analysis
- Reduction of fixed and variable cost
- Cash and investment management
- Taxation and compliance
- Continued growth to increase market presence
- Increased income from value added products
- Minimise cost to income ratio

Outputs and Outcomes	₹ crore
Economic Value Generated :	
Net sales	14,477
Operating EBITDA (Standalone)	2,045
Profit After Tax (Standalone)*	1,507
Operating cash flow	1,118
Market capitalisation at the end of 2018	28,320
Wealth Distributed :	
Remuneration including retirement benefits to employees	881
Contribution to Government as taxes and other levies	6,796
Dividend to shareholders	282
Community investments	20
Financial cost	89
Retained with business	1,566

Recognition

- ICAI Award for Excellence in Financial Reporting for Commended Annual Report 2017
- Golden Peacock Award for Excellence in Corporate Governance in 2018
- ICSI Certificate of Recognition for Excellence in Corporate Governance for 2018

* Including write-back of ₹ 501 Crore relating to tax provisions

Manufactured Capital

We make regular investments to achieve continuous improvements in productivity, energy efficiency, environment management standards and quality of output.

We manage our manufacturing capital effectively with regular investments to augment capacity together with infrastructure, technologies and processes planned in a manner that enables efficient resource utilisation and offers safe, reliable and sustainable products and services to customers.

ACC has a significant manufacturing footprint across the country with 17 integrated cement plants and grinding units with modern equipment, latest generation instrumentation and sophisticated environment and pollution control systems at every stage from mining to packing and dispatch. Our ready mix concrete business is one of the largest in India with 75 plants in major cities across the country.

The Company is largely self-sufficient in meeting its power requirements with thermal power generating facilities at most of its cement plants. Three wind energy farms and a Waste Heat Recovery System (WHRS) reflect a shift towards generating green energy.

Logistics operations are facilitated by RFID (Radio Frequency Identification) and GPS (Global Positioning System) technologies, a migration to bulk transportation, rail network and satellite grinding units. Plants are integrated seamlessly with channel partners, enabling uninterrupted deliveries and service.

Capacity expansion to deliver growth

ACC is enhancing its cement production capacities by 5.9 mn tons by setting up a greenfield integrated cement plant at Ametha, Madhya Pradesh and a grinding unit in Uttar Pradesh, and expansion of its Tikaria and Sindri plants.

Key Inputs

Cement & Concrete Business

- Total no. of cement plants & grinding units 17
- Integrated plants 11
- Grinding units 6
- Production capacity of cement 33.41 MTPA
- Net fixed assets ₹ crore 7,442
- Value of current assets ₹ crore 6,726
- CAPEX during the year ₹ crore 518
- Bulk terminal 1
- WHRS 1
- Windmill stations with 19 MW installed capacity 3
- Ready mix concrete plants 75
- Production capacity 7.65 mn m^3

Business Activities

- Production & maintenance
- Mine planning
- Limestone extraction
- Preparing raw feed, grinding raw meal
- Pre-heating, calcination
- Clinkerisation
- Fuel preparation and homogenisation
- Cement grinding
- Packing and dispatch
- Health & Safety
- Efficient logistics
- Digital infrastructure
- Cyber risk and data protection

Concrete Business

- Land lease
- Receipt of materials & storage
- Feeding materials into the mixer in requisite proportion
- Mixing, loading into transit mixer
- Dispatch

Outputs and Outcomes

Cement Business

- Cement production volume 28.36 MTPA
- Thermal substitution rate 4.47%
- Fly ash consumption 6.05 MTPA
- Slag consumption 3.31 MTPA
- Specific thermal energy consumption: 3099 MJ/T of clinker
- Clinker Factor Improvement 1.68%
- All plants are ISO 14001 certified

Concrete Business

- Concrete production volume 3.13 mn m^3
- New ready mix concrete plants 18
- Concrete production volume increased 15%

CASE STUDY

Conserving natural resources

In keeping with our approach to improve performance and focus on sustainable technology, ACC Jamul has modified the process of manufacturing Portland Pozzolana Cement (PPC) by using wet fly ash (pond ash) which is usually wasted.

Traditionally, cement plants use dry fly ash to manufacture PPC and the wet fly ash factor in PPC remains at ~5-10%. Using a first-of-its-kind process, developed entirely in-house, ACC Jamul successfully utilised 100% wet fly ash, available freely in the vicinity, to manufacture PPC. This resultant PPC was tested thoroughly, met all quality parameters and was enthusiastically received by the market.

Recognition

- ACC Gagal won 1st prize in overall performance, Mineral Conservation, Scientific Development of Mines, Sustainable Development & Afforestation and 2nd prize in Air & Water Monitoring at MEMCW
- ACC Kymore, Jamul and Wadi were recognised as Excellent Energy Efficient Unit ' and ACC Thondebhavi as 'Energy Efficient Unit' by CII at the National Award for Excellence in Energy Management

Intellectual Capital

Our intellectual capital consists of knowledge, experience and expertise together with a vast body of accomplishments in a wide range of disciplines in cement and concrete technology, manufacturing, distribution, marketing and management acquired over years of being in the business.

We build on our intellectual capital by continuous advancement of knowledge, expertise and experience in all areas of business to achieve higher performance levels while mitigating risks and enabling innovation-led growth. To continue influencing the way the nation builds, ACC constantly evolves and innovates to remain at the forefront of building technology.

ACC's Dealer Connect app and website are designed to deliver a seamless user experience. Our channel partners can place orders and track order status, check loyalty points, confirm deliveries and download monthly ledgers at their own convenience.

ACC's Service Connect App helps our field force to digitally geotag every construction site visited, add details of contractors of each site, conversion and orders, everyday. These details are analysed to develop initiatives to further demand.

Key Inputs	₹ crore
Cement Business	
• R&D spend	5.38
• Invested in new equipment & facilities	0.32
Concrete Business	
• R&D spend	0.45

Business Activities

- Research & Development
- Product development
- Intellectual property
- Applied research
- Maintaining consistent quality

Outputs and Outcomes	
Cement Business	
• No. of products developed	3
• Consistently delivered customer value	
Concrete Business	
• No. of new products developed	4
• Consistent customer satisfaction	
Solutions & Products	
- **Green Building Centres**	
• No. of houses built	27,769
• Natural soil saved	81,416 MT
• Reduced CO_2 emission	5,730 MT
• Waste utilisation	37,577 MT
• GBCs set up	65
• GBCs in progress	97
- **Dry Mix**	
• No. of products developed	4
• Enhanced building materials portfolio	

Creating value through innovation: ACC LeakBlock Waterproofing Technology

ACC is constantly pushing its boundaries by developing modern products and solutions that score high on performance, durability, strength and power. ACC LeakBlock is a polymer based integral waterproofing compound specifically formulated using plasticizing and surface active additives, which can be used in all types of cement mortar, plasters and concrete. It increases the durability and service life of structures by increasing resistance to water penetration and chloride attack, enhancing the cohesiveness and adhesion properties in the concrete and cement mortars.

CASE STUDY

Green Building Centres

It is ACC's belief that businesses can bring about transformational change by pursuing innovative business models that synergise the creation of sustainable livelihoods while enhancing shareholder value.

Green Building Centres (GBC), an ACC initiative, has started to become a catalyst in rural development, furthering the cause of affordable housing and providing local associates with opportunities for entrepreneurship, employment and independence.

The Vyas family began its journey with ACC in 1967 when Ramprasad Vyas started a dealership in Mancherial, Telangana. Fifty years later, his engineer grandson Gopal Vyas wondered how to combine his keen interest in manufacturing with his ambitions to branch out from the business and yet continue his family's relationship with ACC. The answer: partner with ACC to launch a GBC in Mancherial to manufacture superior quality eco-friendly building materials. In January 2018, Gopal set up Telangana's first advanced and aesthetically designed GBC.

ACC offers technical expertise to set up modern GBCs with a small investment to support rural entrepreneurship. Each centre creates 150 jobs while creating an eco-friendly model by conserving fertile top soil and reducing CO_2 emission of 183 MT per million fly ash bricks produced and saving 2.6 kgs of fertile agricultural soil for every fly ash brick produced. There are 65 GBCs set up across the country with 97 more on the anvil.

ACC F2R SUPERFAST

ACC F2R SUPERFAST, launched in January 2018, is a revolutionary new cement with superior strength, superfine quality and a superfast setting formula that enables robust construction in quick time; it also has the added advantage of early strength. This innovative new product received phenomenal response from consumers who clearly see its benefits.

Speedy solution for potholes

ACC Supercoat Premium is a specialty product from ACC's concrete business for instant pothole repair that rapidly hardens, allowing traffic to flow within 15 minutes. The innovation comes as a long-term solution to the persistent issue of potholes in India.

Indian Concrete Journal

The Indian Concrete Journal (ICJ) was first published by ACC in 1927 to share knowledge and information on concrete to engineers, architects, builders, contractors and manufacturers. ICJ enjoys a dedicated readership across India and internationally. It disseminates information on the latest developments in cement, concrete and construction practices, and highlights the versatility and varied applications of concrete. Recently, ICJ published it's first-ever ICJ Collector's Edition.

Recognition

Fastest Growing Company – Large Category 2017-18 (Cement) title at the 3^{rd} Indian Cement Review Awards

Human Capital

Our dynamic and dedicated workforce comprises men and women from diverse ethnic, social and educational backgrounds.

We strive to create a safe workplace where employees feel empowered and motivated to realise their full potential and are recognised for their contributions. As an equal opportunity employer, we nurture an environment which respects diversity within the ACC *parivar*. The focus of our people strategy is on developing a stronger performance culture and investing in the development of leaders for today and tomorrow.

People for Tomorrow

Our integrated people development strategy aims to make our workforce ready for changing market scenarios and future needs of the organisation. People for Tomorrow is a programme specifically designed to improve people performance within the manufacturing function, create future-ready employees, and prepare successors for critical roles.

Best-in-class people productivity

Our commitment to be a leaner and more agile organisation has yielded significant improvement in the manpower productivity indicator (Tons/FTE) of ~50% over the last two years, which is one of the best in the cement industry. Our productivity initiatives supplemented with technical skill training, behavioural improvement and engagement programmes for workmen have helped yield better business results.

Better Health & Safety outcomes

In our continuous mission to improve Health & Safety (H&S), 2018 saw our Zero Harm programme running at full throttle, both on site and off site. With increased production, the task at hand was to control risk levels effectively. Our efforts included increased communication and engagement, roll out of new standards, incident reviews, lone working solutions, LafargeHolcim global H&S challenges, global H&S Days, numerous H&S audits, in-depth H&S improvement plans and more.

Key Inputs

Total number of employees	6,731
Female employees	262
Male employees	6,469
Number of employees hired	405
Number of manhours	1,55,82,993
Average employee cost incurred per annum ₹ lakh	10.42
Total training hours imparted	1,32,762
No of people undergone risk based health assessment	8,200

Business Activities

- Safe and caring environment
- Drive Zero Harm culture
- Employee development & growth opportunities
- Building talent pool
- Value creation for employees through business & technological exposure
- Employee engagement
- Employee wellness
- Succession planning
- Improving gender diversity

Outputs and Outcomes

Best in class people productivity	4,770 Tons/FTE
Revenue per employee ₹ crore	2.15
Employee grievances recorded	0
Total medical treatment injuries	27
Lost time injury frequency rate (LTIFR)	0.45
Total injury frequency rate (TIFR)	1.03
Employee injury rate (IR)	0.89
% reduction in attrition rate	2
Women in leadership roles	2
% of women recruited	8

Engaged employees, Productive employees

Committed to innovation: Innovate to Excel

An annual national level competition which encourages employees to incorporate innovation for improvement of everyday operations. Participation has grown in leaps and bounds over the past 14 years setting higher standards of innovation across disciplines.

Safety Corner

ACC launched 'Safety Corner – a step towards a safer us' in 2018 as an initiative to influence employee behaviour and develop a more conscious attitude towards health and safety. On the first day of each month, employees gather in small groups across offices and plants to discuss a pertinent H&S topic.

Promoting artistic talent: Sitaron ki Khoj

A national talent hunt platform for ACC employees and their families which gives them the opportunity to shine and be recognised for their talent in front of a large audience. More than 1,000 participants across locations displayed a variety of talents with tremendous skill and enthusiasm.

Recognition

- Occupational Safety & Health (OSH) India Awards 2018
- ACC - Innovation in OSH - Safety implementation - Proactive
- ACC Lakheri - OSH Innovation Award - Employee Awareness - Proactive
- ACC Chaibasa - OSH Innovation Award - Employee Awareness - Reactive
- ACC Jamul - Rio Tinto Health Safety Award (2017-2018)
- ACC Thondebhavi - Greentech Safety Award 2018

Natural Capital

As a cement manufacturing company, we depend on stocks of natural resources. We make every effort to mitigate the impacts of our operations on the natural environment. This includes air, water, land, minerals, forests as well as biodiversity, while striving for a zero-waste future.

Across the world, there are increasing demands for preservation of natural resources and use of sustainable solutions in business.

ACC has always been at the forefront of sustainable development. Our 'Sustainable Development (SD) 2030 Plan' is aligned with our parent company LafargeHolcim and reflects our strategy and commitment towards conserving natural capital. We have achieved significant progress in the four focus areas of our SD 2030 Plan: Climate, Circular Economy, Water & Nature and People & Communities.

Reducing the use of virgin materials while increasing the use of alternative materials has helped minimise ACC's impact on the environment. As a best practice, we are increasingly blending cement with industrial by-products like fly ash and slag to conserve natural resources of limestone and improving its clinker factor while strengthening the final product. In 2018, ACC's share of blended cement increased to ~88%.

ACC's Green Building Centres promote sustainable construction, low-cost housing development and conservation of natural resources through the production of fly ash bricks.

Regular investments are made to continuously improve energy efficiency, pollution control and environment management standards.

ACC is India's first cement company to be awarded the 'GreenPro Certification' by the Confederation of Indian Industries (CII) for its eco-friendly, blended cement product portfolio - ACC Concrete+ Xtra Strong, ACC F2R SUPERFAST, ACC Gold Water Shield, ACC Suraksha Power, ACC HPC Long Life – across its 17 plants.

ACC is the first cement company in India to complete the process of assessing and publishing its impact across the life cycles of its products through Environment Product Declaration (EPD) for its cement and concrete products.

Key Inputs

- Specific water consumption 173 Ltrs/T of cement
- Total heat consumption of kiln 53,809 TJ
- Alternative fuels utilised 1,744 TJ
- Alternative bio fuels utilised in kiln 648 TJ
- Total environment expenditure ₹ crore 208

Business Activities

- Mining & land acquisition
- Procurement
- Research & Development
- Manufacturing process
- Logistics including employee travel
- Ready Mix Concrete
- Green Building Centres
- Water conservation
- Resource management
- Energy management
- Geocycle waste management
- Co-processing waste in klins

Outputs and Outcomes

- CO_2 emissions Kg / T of cement excluding emissions from onsite generation (Scope-1): 504.55 Kgs
- Specific SO_2 emissions / T of cement: 78.16 gms/T of cement
- Specific NOx emissions / T of cement: 1051 gms/T
- Specific dust emissions / T of cement: 17.43 gms/T
- Wind energy generated 34.74 mn units
- Renewable energy used through PPAs 44.48 mn units
- % of renewable energy over total energy consumption: 3.43
- % of water recycled: 12
- Total waste generated 19,465 Tons
- Waste disposed (land filled / incinerated) 1.50 Tons (biomedical waste)

Our waste management brand Geocycle provides sustainable waste management solutions to industries, municipalities and agriculture sector by co-processing waste in our cement kilns. By consuming waste material in our manufacturing process and recovering any resource or material value inherent in it, we produce a more environment friendly end product. Geocycle has facilitated the utilisation of diesel equivalent as a substitute for diesel during kiln light up with no increase in emissions.

In 2018, we co-processed 3,79,883 tons of waste in our cement kilns, achieving a thermal substitution rate of 4.47 %

Recognition

- 'Yes Bank Natural Capital Award 2018' in the 'Eco-Corporate' - Manufacturing Sector
- 5 Star rating by the Ministry of Mines for Sustainable Development to our Limestone Mines in Chanda, Kymore and Jamul
- ACC Gagal won the Leaders Awards – Large Business, Process Sector at the Sustainability 4.0 2018 by Frost & Sullivan and TERI

Social and Relationship Capital

Engaging and connecting with communities around our operations, channel partners, associates and the extended family of our primary and secondary stakeholders is at the core of our organisational strategy.

We believe in building long-term and transparent relationships with our partners and the communities where we operate, within the framework of corporate ethics and applicable norms.

Our harmonious relationship with communities around our plants is the outcome of our community development work, while working as partners with them on their journey of growth.

Through our ACC TRUST, we deliver integrated community development and capacity building interventions with particular focus on economic upliftment of the vulnerable and marginalised sections amongst them.

These programmes are structured around three themes - DISHA (Sustainable Livelihood), Vidya Utkarsh (Quality Education) and WASH (Water, Sanitation & Hygiene). The plans are formulated and implemented in a participatory manner with the active involvement of local representatives, NGOs and our employee volunteers, impacting almost half a million lives in over 185 villages.

We engage closely with our value-chain partners to develop their skills and benefit mutually by creating efficient processes and consolidating our supply chains.

ACC is a customer-centric organisation ensuring that customers get the best value from our products and services. Effective Customer Relationship Management (CRM) systems are in place to manage customer interactions.

Key Inputs

Spend on CSR projects: ₹ crore	20.45
Number of customer complaints resolved	1,060
Technical lectures	264
Skill building sessions held for masons / contractors	8,292
Instant mix proportioning services provided	24,082
Vendors on board	9,517
Vendors assessed in supply chain	590
Suppliers assessed for human rights compliance	590

Business Activities

- Marketing and sales
- Sustainable construction
- Land acquisition
- Procurement
- Green Business Centres
- Materiality analysis
- Needs assessment
- Community development
- Channel management

Outputs and Outcomes

Number of lives reached due to CSR activities	4.8 lakh
Beneficiaries covered under health and wellness improvement programmes	3.3 lakh
CSR projects on health and wellness improvement	2,069
Beneficiaries covered under education initiatives	44,381
Beneficiaries covered under sustainable livelihood initiatives	39,382
Beneficiaries covered under WASH initiative	1.08 lakh
Vendors pre-qualified for sustainable supply chain assessment	590
Active Vendors (from national market)	9,442

Recognition

- The 'Most Innovative CSR Project' for Vidya Utkarsh by Government of Odisha
- Golden Peacock Award for Corporate Social Responsibility
- Indywood CSR Excellence Award 2018 in the category of Best CSR Practices in Promoting Biodiversity
- ACC Lakheri won the CSR Health Impact Award – Bronze in the Women and Child Health Initiative category

CASE STUDY

Empowering individuals through education

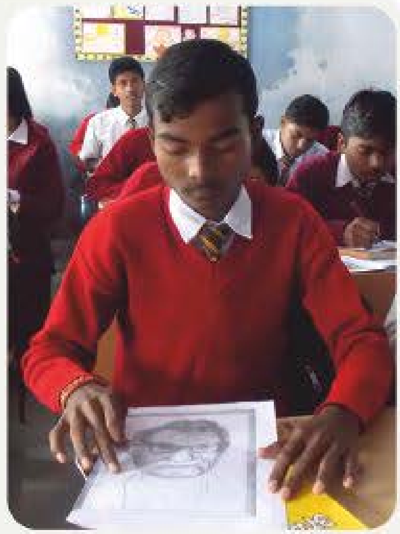
ACC's Vidya Utkarsh programme facilitates quality education for children in the host community while providing a healthy and safe learning environment.

Badal Das lives with his family in Dokatta village in Jharkhand where his father works as a labourer. He studied in a Hindi medium school until Class 5.

ACC Vidya Utkarsh, helped Badal to study in the English medium DAV Public School, Chaibasa. Soon Badal excelled and began to top his classes due to his hard work and dedication.

Badal topped his school in Class 12 CBSE examination and is now studying B.Sc. (Maths honours) and intends to pursue B.Ed. to become a teacher.

Badal's success story is an example for his community which has now realised the importance of quality education and has started enrolling children in nearby schools despite the strain on their resources.



CASE STUDY

Rebuilding lives in Kerala

In August 2018, torrential rains hit many parts of Kerala, causing large scale flooding and landslides, leaving behind unimaginable destruction to homes, schools, hospitals and civic infrastructure.

ACC salutes the spirit of the people of Kerala and their resilience, courage and sheer determination with which they faced one of the most daunting times. We feel privileged to have participated and assisted the brave citizens of Kerala as they rebuilt the communities.

ACC immediately stepped up to assist people in the flood-impacted regions of Kerala. Every employee of ACC donated one day's salary to the humanitarian effort and the Board of Directors contributed a sum of ₹ 1 lakh each. The management created a special corpus in ACC TRUST to implement special relief and rehabilitation programmes in the state.

But going far beyond financial contribution, over 100 ACC employees courageously camped in Kerala to help with the relief and rehabilitation efforts. ACC Help Vans transported food, water, emergency lamps and essential items to marooned people and relief camps.

ACC distributed
11,768 food kits
4,008 cleaning kits
50 clothes kits
50 utensil kits
covering 16,700+ families

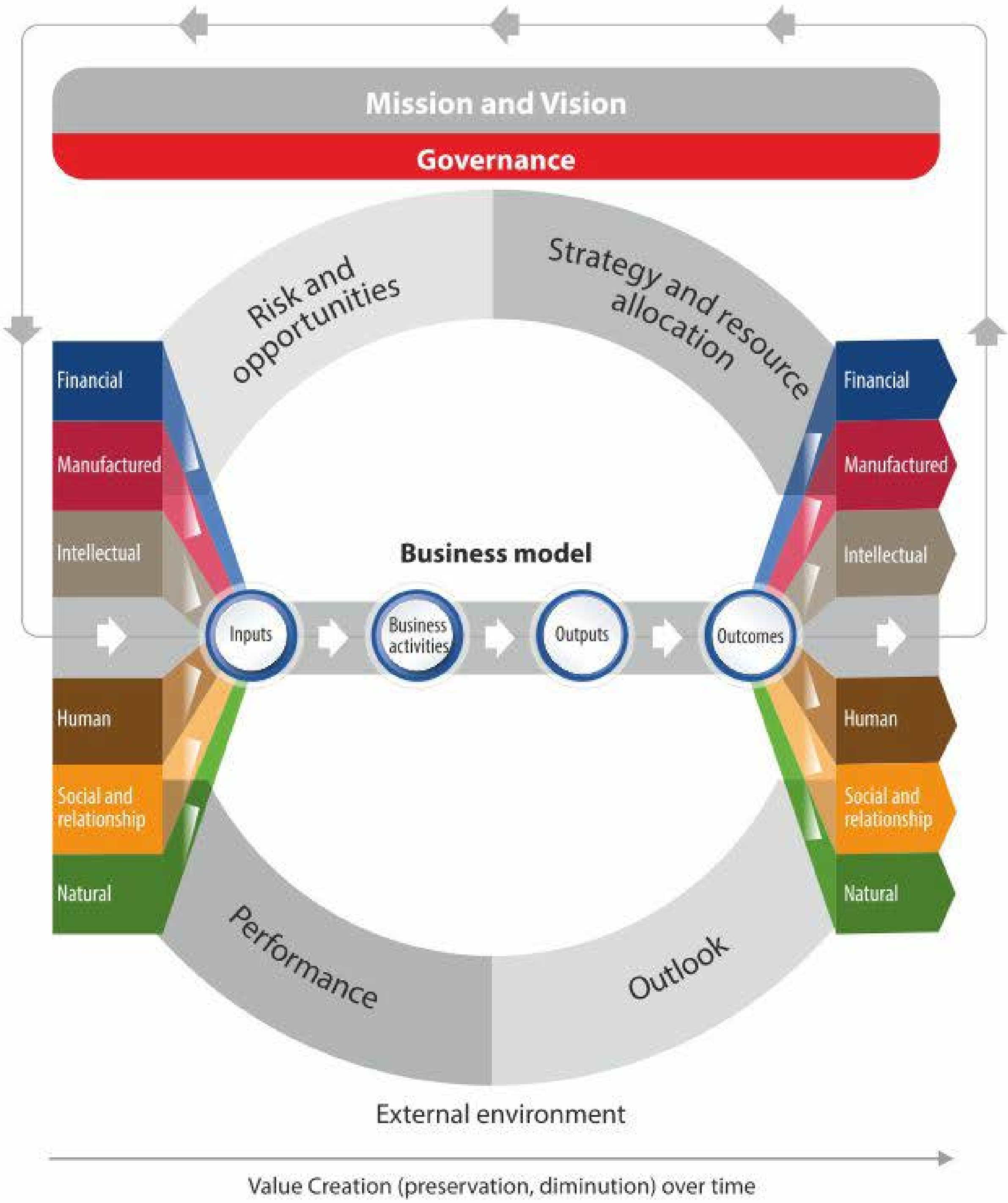
A task force of 52 volunteers - cleaners, carpenters, plumbers, electricians and masons were mobilised from ACC Madukkarai plant to Kerala. ACC's mines maintenance van equipped for electric, welding and plumbing work was also dispatched to the affected areas.

The initiatives also reflect our relations with our Dealers and Clearing & Forwarding Agents, many of who worked with us shoulder to shoulder to create a massive relief and rehabilitation operation in Kerala.

ACC salutes the spirit of the people of Kerala and their resilience, courage and sheer determination with which they faced one of the most daunting times.

Value created for our stakeholders

The value created by an organisation over time manifests itself in increases, decreases or transformations of the capitals caused by the organisation's business activities and outputs. That value has interrelated aspects – value created for the organisation itself, which enables financial returns to shareholders and other stakeholders, including society at large.



Planning for a sustainable future

Sustainability is an integral part of our business strategy. As an industry leader, ACC is committed to ensuring a sustainable business. Climate, Circular Economy, Water & Nature and People & Communities are the four pillars of Sustainability, where ACC has made impactful contributions. Working consistently towards achieving the 2020 goals set under each pillar, ACC has done robust work in 2018 to surpass its targets in each of the focus areas. Our specific CO_2 emissions/T of cement reduced by ~38% per tonne of cement vs 1990, which has already surpassed our 2020 target. Encouraged by this achievement, we are aspiring to reduce our specific CO_2 emissions by another 2% during 2019. We have utilised ~11 million tonnes of waste-derived resources, continued our efforts to become biodiversity positive, reduced specific fresh water withdrawal in cement operation by ~18% and implemented initiatives to provide access to safe water, sanitation and hygiene, besides touching nearly half a million lives through Corporate Social Responsibility initiatives across the country. In some parameters, we have surpassed the targets of SD 2030 Plan and are working on higher targets.

ACC will generate one-third of its turnover from enhanced sustainability solutions.

	Climate	Circular Economy	Water & Nature	People & Communities
2020	**We will** Reduce net specific CO_2 emissions by 34 % per tonne of cement (vs 1990)	**We will** Use 9.6 million tonnes of waste-derived resources per year	**We will** Reduce specific freshwater withdrawal in cement operations by 19 % Complete BIRS baseline assessments at all quarries Have BMP for all quarries	**We will** Have zero onsite fatalities Reduce Lost Time Injury Have Frequency Rate (LTIFR) < 0.50 Reduce Total Injury Frequency Rate (TIFR) by 30% Benefit > 1 mn people from our social programmes Assess 80% high risk active suppliers
2030	**We will** Reduce net specific CO_2 emissions by 40 % per tonne of cement (vs 1990)	**We will** Use 10.7 million tonnes of waste-derived resources per year	**We will** Reduce specific freshwater withdrawal in cement operations by 30 % Show a positive change for biodiversity Implement WASH pledge at our sites	**We will** Have zero fatalities Reduce LTI FR < 0.20 Reduce TIFR by 50% Benefit 3.25 mn people from our social programmes Assess 100% high risk active suppliers + Top sub-suppliers with high risk identified and assessed

Note : All targets are for 2030. Baseline year is 2015 unless stated otherwise.

In Conclusion

Throughout the 82 years of its existence, ACC has remained true to its purpose of being a driving force in creating a confident future for its people, customers, shareholders and the nation. Accordingly, your Company relentlessly strives for excellence in all areas of its operations, achieving high levels of operating performance and cost competitiveness, enhancing its productive asset and resource base and moving towards creating a more sustainable future. The theme of the Annual Report this year 'Building a Future, Cemented in Trust' echoes the very ethos of your Company – an innovative, forward-looking company that owes its continued success in the marketplace and its solid reputation to the trust it enjoys and the value it creates for all its stakeholders.

Innovation is present not only in our products and services, but also in the way we execute growth opportunities. Our close relationships with our customers, anticipating modern consumer needs, and our technological know-how helps us deliver new products and solutions. Developing a future-ready organisation by building world-class capabilities ensures that our people and business continue to grow and thrive. Significant investments are being made to expand production capacities over the next few years. Commitment to growth, financial prudence and shareholder returns is helping us distribute wealth back to shareholders. Sustained efforts are being made to reduce our usage of limestone resources, energy and water. Continuous engagement with the communities where we live and operate is enhancing lives through interventions in the domains of health, education and livelihood development, among others.

While ACC has achieved significant milestones in its sustainability journey, we recognise that there is much more to be done, with scale and urgency.

ACC is committed to creating larger societal value by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of Triple Bottom Line performance. By making every aspect of our business sustainable, we re-affirm our commitment to a better world.

Significant investments are being made to expand production capacities over the next few years. Commitment to growth, financial prudence and shareholder returns is helping us distribute wealth back to shareholders.

STANDALONE FINANCIAL HIGHLIGHTS

Particulars	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Cement Production (Million Tonne)	28.36	26.56	23.18	23.84	24.24	23.86	24.12	23.46	21.14	21.37
Cement Sales (Million Tonne)	28.37	26.21	22.99	23.62	24.21	23.93	24.11	23.73	21.29	21.50
Capacity utilisation	86%	79%	73%	77%	78%	78%	79%	81%	77%	91%
INCOME STATEMENT - ₹ Crore										
Net Sales	14,477	12,909	10,772	11,433	11,481	10,889	11,130	9,430	7,710	7,967
Operating EBITDA	2,045	1,909	1,474	1,537	1,507	1,629	2,196	1,921	1,812	2,644
Profit before exceptional item and tax	1,494	1,298	914	937	1,135	1,227	1,787	1,540	1,461	2,294
Profit before Tax	1,494	1,298	871	784	1,135	1,227	1,451	1,540	1,461	2,294
Profit after Tax	1,507*	915	647	592	1,168	1,096	1,061	1,325	1,120	1,607
BALANCE SHEET - ₹ Crore										
Net Worth	10,528	9,365	8,832	8,443	8,236	7,825	7,383	7,192	6,469	6,016
Long-term borrowings	-	-	-	-	-	35	163	511	524	567
Net Fixed Assets (Including CWIP)	7,442	7,503	7,786	7,656	7,513	6,324	6,175	6,573	6,548	6,113
Cash and cash equivalents	2,837	2,527	1,778	1,389	1,686	2,621	3,137	2,932	2,388	1,876
Current Assets	6,726	5,339	3,726	3,609	3,485	3,476	3,098	3,691	2,751	2,458
Current Liabilities	4,834	4,923	4,110	3,893	3,900	3,726	3,863	3,768	3,746	3,114
Capital Employed	10,528	9,365	8,832	8,443	8,236	7,860	7,546	7,703	6,993	6,583
SIGNIFICANT RATIOS										
Operating EBITDA margin	14%	15%	14%	13%	13%	15%	20%	20%	24%	33%
Average Return on Capital Employed	15%	14%	11%	11%	14%	16%	24%	22%	22%	39%
Return on Net Worth	10%#	10%	7%	7%	14%	14%	14%	18%	17%	27%
Current Ratio (Times)	1.39	1.08	0.91	0.93	0.89	0.93	0.80	0.98	0.73	0.72
Debt Equity Ratio (Times)	-	-	-	-	-	0.004	0.02	0.07	0.08	0.09
Price Earning Ratio (Times)	27.84#	36.08	38.39	43.07	22.56	18.91	25.15	16.29	18.04	10.23
Net worth per Share (₹)	561	499	470	450	439	416	393	385	345	320
Dividend per share (₹)	14	26	17	17	34	30	30	28	30.50	23
Basic Earnings per Share (₹)	53.57#	48.75	34.46	31.51	62.23	58.36	56.52	70.59	59.66	85.60
Cash Earnings per Share (₹)	85.51#	82.84	66.69	74.40	91.93	88.93	104.15	95.90	80.57	103.83
CASH FLOWS - ₹ Crore										
Net cash provided by / (used in)										
Operating activities	1,118	1,555	1,381	1,461	1,332	1,056	1,577	1,571	1,935	2,397
Investing activities	(368)	(385)	(539)	(948)	(1,437)	(858)	(311)	(258)	(812)	(1,505)
Financing activities	(441)	(422)	(420)	(681)	(837)	(834)	(1,066)	(768)	(621)	(455)

* including write back of ₹ 501 Crore relating to tax provision of earlier years.
# before considering tax provisions write back of earlier years.

Financial figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP.

Notes:

1. Cash and cash equivalents includes Cash and bank balances, investment in short term deposits and mutual funds
2. Current maturities of Long-Term Borrowings have been included in Borrowings and excluded from current liabilities
3. Operating EBITDA: Profit from operations before other income, finance cost and Depreciation and amortization expense
4. Average Return on Capital Employed: EBIT/ Average Capital Employed

   (Capital Employed: Net worth + Long-term borrowings + Current maturities of Long-Term borrowings)

   (EBIT: Profit before exceptional items and tax + interest on Long-term borrowings)
5. Return on Net worth: Profit after Tax / Net Worth
6. Debt Equity Ratio: (Long-term borrowings + Current maturities of Long-Term borrowings) / Shareholders' funds
7. Price Earning Ratio: Market Price per share / Basic Earnings per share
8. Net worth per share: Net Worth / Number of Equity Shares
9. Current Assets : Total assets - Net fixed assets - Investments - investment in short term deposits and mutual funds
10. Current Liabilities: Current liabilities excluding Short-term borrowings + Long-term provisions

STATEMENT OF DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2018 ₹ Crore	2017 ₹ Crore
WEALTH GENERATED		
Gross Income*	20,883	18,867
Operating costs	(11,249)	(11,289)
	9,634	7,578
WEALTH DISTRIBUTION		
As remuneration including retirement benefits for Employees	881	819
Contribution to Government as taxes and other levies	6,796	5,331
As dividend to Shareholders	282	319
Community investments	20	22
Finance Cost	89	102
Retained with the Business	1,566	985

*Inclusive of sales tax / value added tax (VAT) / goods and services tax (GST)

VALUE ADDED STATEMENT

(₹ in Crore)

	2018	2017	2016	2015	2014
Equity	10,528	9,365	8,832	8,443	8,236
Capital employed	10,528	9,365	8,832	8,443	8,236
Average Capital Employed	9,947	9,099	8,637	8,339	8,048
Value added					
Net operating profit after taxes*	1,006	915	690	692	1,168
Add: interest on Long-term borrowings, net of tax	-	-	-	-	1
Net operating profit after taxes (NOPAT)	1,006	915	690	692	1,169
Cost of Capital	1,344	1,106	973	1,074	1,038
Value added	**(338)**	**(191)**	**(283)**	**(382)**	**131**
NOPAT / Average Capital employed (%)	10.11	10.06	7.99	8.30	14.53
Weighted Average Cost of Capital (%)	13.51	12.16	11.26	12.88	12.90
Value added / Average Capital Employed (%)	**(3.40)**	**(2.10)**	**(3.28)**	**(4.58)**	**1.63**
Enterprise Value					
Market Capitalisation (As at December, 31)	28,320	33,021	24,995	25,546	26,287
Less: Cash and Cash Equivalents	2,837	2,527	1,778	1,389	1,686
EV (Enterprise Value)	**25,483**	**30,494**	**23,217**	**24,157**	**24,601**
EV / Year End Capital Employed (Times)	**2.42**	**3.26**	**2.63**	**2.86**	**2.99**

* Net Operating profit is excluding exceptional item and tax impact on the same and tax provisions write back

Financial figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP.

HORIZONTAL ANALYSIS OF STANDALONE BALANCE SHEET

₹ Crore

Particulars	2018	2018 Vs 17 (%)	2017	2017 Vs 16 (%)	2016	2016 Vs 15 (%)	2015	2015 Vs 14 (%)	2014
ASSETS									
Non-current assets									
Net Fixed assets	7,442	(0.81)	7,503	(3.63)	7,786	1.70	7,656	1.90	7,513
Non-current investments	230	-	230	(10.85)	258	(6.18)	275	(5.50)	291
Non current - loans and other financial assets	486	(22.36)	626	238.38	185	(15.53)	219	1.39	216
Non-Current Tax Assets (Net)	673	128.14	295	(2.96)	304	(0.33)	305	30.90	233
Other non-current assets	612	(0.81)	617	(26.11)	835	(17.73)	1,015	32.33	767
	9,443	1.86	9,271	(1.04)	9,368	(1.08)	9,470	4.99	9,020
Current assets									
Inventories	1,679	19.59	1,404	14.71	1,224	2.94	1,189	(5.33)	1,256
Financial Assets									
Investments	-	-	-	-	-	(100.00)	4	-	-
Trade receivables	868	29.94	668	24.63	536	10.74	484	17.76	411
Cash and cash equivalents	2,837	12.27	2,527	42.05	1,779	31.19	1,356	(12.85)	1,556
Bank balances other than Cash and Cash Equivalents	163	(3.55)	169	1.20	167	406.06	33	(74.42)	129
Loans	79	92.68	41	41.38	29	45.00	20	33.33	15
Other financial assets	226	2,411.11	9	80.00	5	(37.50)	8	33.33	6
Other current assets and assets held for sale	730	(8.75)	800	140.96	332	19.86	277	(0.36)	278
	6,582	17.16	5,618	37.97	4,072	20.80	3,371	(7.67)	3,651
TOTAL	**16,025**	**7.63**	**14,889**	**10.78**	**13,440**	**4.66**	**12,841**	**1.34**	**12,671**
EQUITY AND LIABILITIES									
Equity									
Equity Share capital	188	-	188	-	188	-	188	-	188
Other Equity	10,340	12.67	9,177	6.17	8,644	4.71	8,255	2.57	8,048
	10,528	12.42	9,365	6.03	8,832	4.61	8,443	2.51	8,236
Liability									
Non-current liabilities									
Provisions	139	(2.11)	142	0.71	141	17.50	120	3.45	116
Deferred tax liabilities (Net)	663	22.55	541	21.03	447	(4.69)	469	(12.50)	536
	802	17.42	683	16.16	588	(0.17)	589	(9.66)	652
Current liabilities									
Financial Liability									
Borrowing	-	-	59	18.00	50	42.86	35	-	-
Trade payables	1,923	6.18	1,811	44.07	1,257	43.82	874	16.53	750
Other financial liabilities	774	7.65	719	(13.48)	831	1.84	816	-	787
Other current liabilities	1,789	3.23	1,733	22.83	1,411	(2.29)	1,444	10.31	1,309
Provisions	27	(47.06)	51	(1.92)	52	(71.89)	185	(66.67)	555
Current Tax Liabilities (Net)	182	(61.11)	468	11.69	419	(7.91)	455	19.11	382
	4,695	(3.02)	4,841	20.42	4,020	5.54	3,809	0.69	3,783
TOTAL	**16,025**	**7.63**	**14,889**	**10.78**	**13,440**	**4.66**	**12,841**	**1.34**	**12,671**

Financial figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP.

VERTICAL ANALYSIS OF STANDALONE BALANCE SHEET

₹ Crore

Particulars	2018	(%)	2017	(%)	2016	(%)	2015	(%)	2014	(%)
ASSETS										
Non-current assets										
Net Fixed assets	7,442	46.44	7,503	50.40	7,786	57.93	7,656	59.62	7,513	59.29
Non-current investments	230	1.44	230	1.54	258	1.92	275	2.14	291	2.30
Non current - loans and other financial assets	486	3.03	626	4.20	185	1.38	219	1.71	216	1.70
Non-Current Tax Assets (Net)	673	4.20	295	1.98	304	2.26	305	2.38	233	1.84
Other non-current assets	612	3.82	617	4.14	835	6.21	1,015	7.90	767	6.05
	9,443	58.93	9,271	62.27	9,368	69.70	9,470	73.75	9,020	71.18
Current assets										
Inventories	1,679	10.48	1,404	9.42	1,224	9.11	1,189	9.26	1,256	9.91
Financial Assets										
Investments	-	-	-	-	-	-	4	0.03	-	-
Trade receivables	868	5.42	668	4.49	536	3.99	484	3.77	411	3.24
Cash and cash equivalents	2,837	17.70	2,527	16.97	1,779	13.24	1,356	10.56	1,556	12.28
Bank balances other than Cash and Cash Equivalents	163	1.02	169	1.14	167	1.24	33	0.26	129	1.02
Loans	79	0.49	41	0.28	29	0.22	20	0.16	15	0.12
Other financial assets	226	1.41	9	0.06	5	0.04	8	0.06	6	0.05
Other current assets and assets held for sale	730	4.55	800	5.37	332	2.47	277	2.16	278	2.19
	6,582	41.07	5,618	37.73	4,072	30.30	3,371	26.26	3,651	28.81
TOTAL	**16,025**	**100.00**	**14,889**	**100.00**	**13,440**	**100.00**	**12,841**	**100.00**	**12,671**	**100.00**
EQUITY AND LIABILITIES										
Equity										
Equity Share capital	188	1.17	188	1.26	188	1.40	188	1.46	188	1.48
Other Equity	10,340	64.52	9,177	61.64	8,644	64.31	8,255	64.29	8,048	63.52
	10,528	65.69	9,365	62.90	8,832	65.71	8,443	65.75	8,236	65.00
Liability										
Non-current liabilities										
Provisions	139	0.87	142	0.95	141	1.05	120	0.93	116	0.92
Deferred tax liabilities (Net)	663	4.14	541	3.63	447	3.33	469	3.65	536	4.23
	802	5.01	683	4.58	588	4.38	589	4.58	652	5.15
Current liabilities										
Financial Liabilities										
Borrowing	-	-	59	0.40	50	0.37	35	0.27	-	-
Trade payables	1,923	12.00	1,811	12.16	1,257	9.35	874	6.81	750	5.92
Other financial liabilities	774	4.83	719	4.83	831	6.18	816	6.35	787	6.21
Other current liabilities	1,789	11.16	1,733	11.65	1,411	10.50	1,444	11.26	1,309	10.33
Provisions	27	0.17	51	0.34	52	0.39	185	1.44	555	4.38
Current Tax Liabilities (Net)	182	1.14	468	3.14	419	3.12	455	3.54	382	3.01
	4,695	29.30	4,841	32.52	4,020	29.91	3,809	29.67	3,783	29.86
TOTAL	**16,025**	**100.00**	**14,889**	**100.00**	**13,440**	**100.00**	**12,841**	**100.00**	**12,671**	**100.00**

Financial figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP.

HORIZONTAL ANALYSIS OF STATEMENT OF PROFIT AND LOSS

₹ Crore

Particulars	2018	2018 Vs 17 (%)	2017	2017 Vs 16 (%)	2016	2016 Vs 15 (%)	2015	2015 Vs 14 (%)	2014
Revenue from operations (net)	**14,801**	**11.60**	**13,263**	**20.64**	**10,994**	**(6.81)**	**11,797**	**0.50**	**11,738**
Other Income	139	5.30	132	3.13	128	7.56	119	(55.60)	268
Total Income	**14,940**	**11.53**	**13,395**	**20.44**	**11,122**	**(6.66)**	**11,916**	**(0.75)**	**12,006**
Cost of materials consumed	2,370	19.52	1,983	24.95	1,587	(8.79)	1,740	(2.68)	1,788
Purchase of traded goods	89	8,800.00	1	(50.00)	2	(98.13)	108	(44.33)	194
Changes in inventories	(125)	733.33	(15)	(188.24)	17	-	-	(100.00)	(11.00)
Employee benefits expense	881	7.57	819	8.48	755	(1.95)	770	3.08	747
Power and fuel	2,998	10.46	2,714	25.82	2,157	(9.90)	2,394	(1.97)	2,442
Freight and Forwarding expense	4,011	16.23	3,451	29.98	2,655	(2.50)	2,723	4.81	2,598
Finance costs	89	(12.75)	102	22.89	83	23.88	67	(19.28)	83
Depreciation and amortization expense	600	(6.25)	640	5.79	605	(7.21)	652	16.85	558
Other expenses	2,532	5.41	2,402	2.34	2,347	(7.05)	2,525	2.14	2,472
Total expenses	**13,445**	**11.14**	**12,097**	**18.51**	**10,208**	**(7.02)**	**10,979**	**0.99**	**10,871**
Exceptional items	-	-	-	(100.00)	43	(71.90)	153	-	-
Profit before tax	**1,495**	**15.18**	**1,298**	**49.02**	**871**	**11.10**	**784**	**(30.93)**	**1,135**
Tax expenses	489	27.68	383	70.98	224	16.67	192	(681.82)	(33)
Tax adjustments for earlier years	**(501)**	-	-	-	-	-	-	-	-
Profit for the year	**1,507**	**64.70**	**915**	**41.42**	**647**	**9.29**	**592**	**(49.32)**	**1,168**

VERTICAL ANALYSIS OF STATEMENT OF PROFIT AND LOSS

Particulars	2018	%	2017	(%)	2016	(%)	2015	(%)	2014	(%)
Revenue from operations (net)	**14,801**	**100.00**	**13,263**	**100.00**	**10,994**	**100.00**	**11,797**	**100.00**	**11,738**	**100.00**
Other Income	139	0.94	132	1.00	128	1.17	119	1.01	268	2.28
Total Income	**14,940**	**100.94**	**13,394**	**101.00**	**11,122**	**101.17**	**11,916**	**101.01**	**12,006**	**102.28**
Cost of material consumed	2,370	16.01	1,983	14.95	1,587	14.44	1,740	14.75	1,788	15.23
Purchase of traded goods	89	0.60	1	0.01	2	0.02	108	0.92	194	1.65
Changes in inventories	(125)	(0.84)	(15)	(0.11)	17	0.15	-	-	(11.00)	(0.09)
Employee benefits expense	881	5.95	819	6.18	755	6.86	770	6.53	747	6.36
Power and fuel	2,998	20.26	2,714	20.46	2,157	19.62	2,394	20.29	2,442	20.80
Freight and Forwarding expense	4,011	27.10	3,451	26.02	2,655	24.15	2,723	23.08	2,598	22.13
Finance costs	89	0.60	102	0.77	83	0.75	67	0.57	83	0.71
Depreciation and amortization expense	600	4.05	640	4.82	605	5.50	652	5.53	558	4.75
Other expenses	2,532	17.11	2,401	18.11	2,347	21.35	2,525	21.40	2,472	21.06
Total expenses	**13,445**	**90.84**	**12,096**	**91.21**	**10,208**	**92.85**	**10,979**	**93.07**	**10,871**	**92.61**
Exceptional items	-	-	-	-	43	0.39	153	1.30	-	-
Profit before tax	**1,495**	**10.10**	**1,298**	**9.79**	**871**	**7.93**	**784**	**6.65**	**1,135**	**9.67**
Tax expenses	(12)	(0.08)	383	2.89	224	2.04	192	1.63	(33)	(0.28)
Profit for the year	**1,507**	**10.18**	**915**	**6.90**	**647**	**5.88**	**592**	**5.02**	**1,168**	**9.95**

Financial figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTY THIRD ANNUAL GENERAL MEETING OF ACC LIMITED (CIN:L26940MH1936PLC002515) shall be held at **Pama Thadani Auditorium**, Jai Hind College, "A" Road, Churchgate, Mumbai 400020 on **Friday, March 22, 2019** at **3.00 p.m.** to transact the following items of business:

ORDINARY BUSINESS

1. To consider and adopt:

    a. the Audited Standalone Financial Statement of the Company for the Financial Year ended December 31, 2018, together with the Reports of the Board of Directors and the Statutory Auditors thereon; and

    b. the Audited Consolidated Financial Statement of the Company for the Financial Year ended December 31, 2018, together with the Report of the Statutory Auditors thereon.

2. To declare Dividend on equity shares for the Financial Year ended December 31, 2018.

3. To appoint a Director in place of Mr Narotam S Sekhsaria, (DIN: 00276351), a Non Executive/Non Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr Christof Hassig, (DIN: 01680305), a Non Executive/Non Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **Re-appointment of Mr Shailesh Haribhakti as an Independent Director**

    To consider and if thought fit, to pass the following Resolution as **a Special Resolution**:

    "RESOLVED THAT pursuant to the provisions of Sections 149(10) and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (SEBI Listing Regulations), Mr Shailesh Haribhakti (DIN:00007347), whose present term of office as an Independent Director expires on July 23, 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the SEBI Listing Regulations and is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act proposing his re-appointment as Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from July 24, 2019."

6. **Re-appointment of Mr Sushil Kumar Roongta as an Independent Director**

    To consider and if thought fit, to pass the following Resolution as **a Special Resolution**:

    "RESOLVED THAT pursuant to the provisions of Sections 149(10) and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations), Mr Sushil Kumar Roongta (DIN:00309302), whose term of office as Independent Director expires on July 23, 2019, who has given his consent for the appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and the SEBI Listing Regulations and is eligible for re-appointment, in respect of whom Notice has been received from a Member of the Company proposing his re-appointment as Director and whose re-appointment as Independent Director has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from July 24, 2019."

7. **Re-appointment of Ms Falguni Nayar as an Independent Director**

To consider and if thought fit, to pass the following Resolution as **a Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149(10) and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations), Ms Falguni Nayar (DIN:00003633), whose present term of office as an Independent Director expires on April 23, 2019, who has given her consent for the re-appointment and has submitted a declaration that she meets the criteria for independence under Section 149 of the Act and the SEBI Listing Regulations and is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act, proposing her re-appointment as Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from April 24, 2019."

8. **Appointment of Mr Damodarannair Sundaram as an Independent Director**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations) Mr Damodarannair Sundaram (DIN:00016304), who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and the SEBI Listing Regulations, and who is eligible for appointment, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose his candidature for the office of Director, and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years with effect from the conclusion of this Annual General Meeting or adjournment, if any, thereof."

9. **Appointment of Mr Vinayak Chatterjee as an Independent Director**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations), Mr Vinayak Chatterjee (DIN:00008933), who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and the SEBI Listing

Regulations, and who is eligible for appointment, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose his candidature for the office of Director, and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years with effect from the conclusion of this Annual General Meeting or adjournment, if any, thereof."

10. **Appointment of Mr Sunil Mehta as an Independent Director**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 (the Act), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations) Mr Sunil Mehta (DIN:00065343), who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and the SEBI Listing Regulations, and who is eligible for appointment, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose his candidature for the office of Director, and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years with effect from the conclusion of this Annual General Meeting or adjournment, if any, thereof."

11. **Ratification of Remuneration to Cost Auditor**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s D C Dave & Co., Cost Accountants (Firm Registration No. 000611), who have been appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending December 31, 2019, on a remuneration of ₹12.00 lakhs (Rupees Twelve Lakhs only) plus taxes as applicable and re-imbursement of out-of-pocket expenses incurred in connection with the audit, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

Notes:

a. The Company's Statutory Auditors, M/s Deloitte Haskins & Sells LLP, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting of the Members held on March 29, 2017 on a remuneration to be determined by the Board of Directors. Their appointment was subject to ratification by the Members at every subsequent Annual General Meeting held after the AGM held on March 29, 2017.

Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute.

In view of the above, ratification of the Members for continuance of their appointment at this Annual General Meeting is not being sought. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

b. The respective Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos.5 to 11 of the accompanying Notice is annexed hereto.

c. A statement giving additional details of the Directors seeking appointment/re-appointment as set out at Item Nos. 5 to 10 is annexed herewith as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

d. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the Registered Office of the Company not later than forty-eight hours before the commencement of the Meeting i.e. by **3.00 p.m.** on **March 20, 2019.**

e. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.

f. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.

g. Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DPID and Client ID/Folio No.

h. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.

i. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days, during the office hours except Saturdays, Sundays and all public holidays up to the date of the Meeting.

j. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, March 7, 2019 to Tuesday, March 12, 2019, both days inclusive, for payment of dividend, if declared, at the Meeting.

k. If a dividend is declared at the Annual General Meeting, the payment thereof shall be made to those Members of the Company whose names appear in the Register of Members of the Company on Tuesday, March 12, 2019. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on Wednesday, March 6, 2019, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from Thursday, March 28, 2019.

l. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

m. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, the unclaimed final dividend for the financial year ended December 31, 2010 and interim dividend for the financial year ended December 31, 2011, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, in terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto and notifications issued by the Ministry of Corporate Affairs from time to time, the Company has transferred during the year, the required number of shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account.

Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has placed on its website www.acclimited.com, the information on dividends which remain with the Company as unclaimed as on June 13, 2018, i.e. the date of the last Annual General Meeting. The information is also available on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

n. Members holding shares in their single names are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company whilst those Members holding shares in demat mode should file their nomination with their Depository Participant. The nomination form can be downloaded from the Company's website www.acclimited.com.

o. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after December 5, 2018 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline has been extended by SEBI to March 31, 2019.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

General Information on voting through electronic means/Ballot:

i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clauses (1) & (2) of Clause 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Company is offering e-voting facilities to its Members in respect of the business to be transacted at the 83rd Annual General Meeting. The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide the e-voting facility. It is clarified that it is not mandatory for a Member to vote using remote e-voting facility. In order to facilitate those Members, who do not wish to use the remote e-voting facility, the Company is enclosing a Ballot Form. Resolutions passed by Members through remote e-voting or ballot forms are deemed to have been passed as if they have been passed at the Annual General Meeting (AGM) of the Company.

ii. The facility for e-voting shall also be made available at the venue of the AGM for those Members who have not cast their votes earlier.

iii. Members who have cast their votes by remote e-voting or by Ballot Form prior to the AGM may also attend the Meeting but they shall not be entitled to cast their votes again.

iv. M/s Pramod S Shah, Managing Partner or in his absence Mr Saurabh Shah, Corporate Advisor of M/s Pramod S Shah & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer for overseeing the physical voting and remote e-voting process in a fair and transparent manner.

v. The Scrutinizer shall submit his report to the Chairman. The results declared along with the report of the Scrutinizer will be placed on the website of the Company www.acclimited.com and on the website of NSDL www.evoting.nsdl.com within two days of passing the resolutions at the AGM. The results will also be uploaded on the BSE Listing Portal and on the NSE-NEAPS Portal.

vi. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e. March 22, 2019.

Procedure for e-Voting as prescribed by NSDL:

For Members whose e-mail addresses are registered with the Company/Depositories:

Open the e-mail received from NSDL and follow instructions mentioned therein to cast your vote.

For Members whose e-mail addresses are not registered with the Company/Depositories:

Members will receive a Ballot Form along with the Annual Report. They have two options:

i. To opt for voting by Physical Ballot: Those Members who choose to cast their votes by a physical ballot or who do not have access to e-Voting facility, should fill in the Ballot Form and post the same to the Company at the address mentioned in the enclosed Business Reply Envelope.

OR

ii. To opt for remote e-voting: Follow the steps mentioned hereinbelow, to cast your votes.

How to vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Step 1: How to Log-in to NSDL e-Voting website?

1. 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.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID
For Members who hold shares in demat account with NSDL	8 character DPID followed by 8 Digit Client ID For example if your DPID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the Company For example, if folio number is A00005 and EVEN is 110406 then user ID is 110406A00005

5. Your password details are given below:

   a. If you are already registered for e-voting, then you can use your existing password to log-in and cast your vote.

   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your "initial password" you need to enter the "initial password" and the system will force you to change your password.

c. How to retrieve your "initial password"?

   i. If your email ID is registered in your demat account or with the Company, your "initial password" is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a.pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your "User ID" and your "initial password".

ii. If your email ID is not registered, your "initial password" is communicated to you through post at your registered address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a. Click on "Forgot User Details/Password?" (if you are holding shares in your demat account with NSDL or CDSL), option is available on www.evoting.nsdl.com.

   b. Click on "Physical User Reset Password?" (If you are holding shares in physical mode), option is available on www.evoting.nsdl.com.

   c. If you are still unable to get the password by the aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address.

7. After entering your password, tick on Agree to "Terms and conditions" be selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful log-in at step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After clicking on Active voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pss.scrutinizer@acclimited.com with a copy marked to evoting@nsdl.co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

   Members may also send their queries relating to e-Voting to Ms Pallavi Mhatre of NSDL, at E-mail id: evoting@nsdl.co.in or call Toll free No.: 1800-222-990/Tel. No.: 022-2499 4545.

Additional Information:

1. Members are requested to update their mobile numbers and email IDs in the user profile details of the folio, which may be used by the Company for sending future communication(s) to them.

2. Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice, holds shares as of the cut-off date i.e. March 15, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if the Member is already registered with NSDL for remote e-voting,

then he/she can use his/her existing User-ID and password for casting the vote.

Other Instructions

i. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. March 15, 2019.

ii. Only those Members whose names are recorded in the Register of Members of the Company or in the register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to vote. If a person was a Member on the dates of the Book Closure (Thursday, March 7, 2019 to Tuesday, March 12, 2019, both days inclusive) but has ceased to be a Member on the cut-off date i.e. Friday, March 15, 2019, he/she will not be entitled to vote. Such person should treat this Notice for information purposes only.

iii. The e-voting period commences on Monday, March 18, 2019 (9.00 a.m. IST) and ends on Thursday, March 21, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on Friday, March 15, 2019, may cast their votes by remote e-Voting. The remote e-Voting module will be disabled by NSDL for voting thereafter.

iv. Members who opt to cast their votes by physical ballot may send the duly completed Ballot Form (enclosed with the Annual Report) to the Scrutinizer in the enclosed postage pre-paid self addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.

Members have the option to request for duplicate copy of the Ballot Form by sending an e-mail to sujata.chitre@acclimited.com by mentioning their Folio No./DP ID and Client ID No.

Members may kindly note that the duly completed Ballot Forms should reach the Scrutinizer not later than Sunday, March 17, 2019 (5.00 p.m. IST).

Ballot Forms received after this date will be treated as invalid.

v. A Member can opt for only one mode of voting i.e. either through e-Voting or by Ballot. If a Member casts vote by both modes, then voting done through e-Voting shall prevail and Ballot shall be treated as invalid.

The Scrutinizer shall, within a period not exceeding two working days from the conclusion of the e-Voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Report of the votes cast in favour or against, if any, forthwith to the Chairman or such person authorized by him in this behalf.

By Order of the Board of Directors,
For ACC Limited

Ramaswami Kalidas
Company Secretary & Head Compliance
FCS No.: F-2440

Mumbai
February 5, 2019

Registered Office:
Cement House
121, Maharshi Karve Road
Mumbai 400 020

EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 (Act), sets out all the material facts relating to the business proposed to be transacted under Item Nos. 5 to 11 of the accompanying Notice dated February 5, 2019.

Item Nos. 5, 6 and 7: As per the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta and Ms Falguni Nayar as Independent Directors as per the requirements of the Companies Act, 2013 at the Extraordinary General Meeting held on September 10, 2014 for a term of five consecutive years. Both Mr Haribhakti's and Mr Sushil Kumar Roongta's appointments were effective from July 24, 2014. Ms Falguni Nayar's appointment was effective from April 24, 2014.

As the above named Independent Directors shall be completing their first term of appointment upon completion of five years from the respective dates of their appointment during the current year, they are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution. All the above named persons have consented to their re-appointment and confirmed that they do not suffer from any disqualifications which stand in the way of their re-appointment as Independent Directors.

The performance evaluation of the Independent Directors was conducted by the entire Board of Directors (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Accordingly, based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on February 4, 2019 and February 5, 2019, respectively have recommended the re-appointment of the aforesaid persons as Independent Directors for a second term of five consecutive years commencing from the dates on which their present appointments with the Company expire. During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (SEBI Listing Regulations) In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and they are independent of the Management.

The brief profile of all the Directors is mentioned under "Profile of Directors" forming part of this Notice and details of the remuneration paid/payable to them are as provided in the Corporate Governance Report forming part of the annual report for the year 2018.

The Company has also received notices from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing their re-appointment as Directors.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board recommends the Resolutions as set out in Item Nos. 5, 6 and 7 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in anyway deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5, 6 and 7 of the Notice.

Item Nos. 8, 9 and 10: Mr Farrokh Kavarana and Mr Ashwin Dani were appointed as Independent Directors of the Company from July 24, 2014, while Mr Arunkumar Gandhi was appointed with effect from April 24, 2014 for a period of five consecutive years commencing from the respective dates of their appointment.

The Company's Succession Policy as applicable to the Directors provides that a person shall not be eligible for appointment as a Director upon reaching the age of seventy five years.

The above named Directors have completed/will complete seventy five years before the date of the Annual General Meeting and have expressed their inability to continue as Directors from the conclusion of this Annual General Meeting.

In view of the above, it is proposed to appoint Mr Damodarannair Sundaram, Mr Vinayak Chatterjee and Mr Sunil Mehta as Independent Directors with effect from the conclusion of the Annual General Meeting for a period of five consecutive years subject to their appointment being approved by the Members.

The brief profile of all the Directors is mentioned under "Profile of Directors" forming part of this Notice.

Mr Damodarannair Sundaram, Mr Vinayak Chatterjee and Mr Sunil Mehta have given their consent for the appointment as Independent Directors as well as their confirmation with regard to their independent status. All the above named persons have confirmed that they are not in any way disqualified from being appointed as Directors. The Company has received notices from a Member under Section 160 of the Act proposing their candidature for appointment as Directors. The Nomination and Remuneration Committee as also the Board of Directors have recommended their appointment. In the opinion of the Board, the persons proposed to be appointed fulfil the conditions specified in the Act and in the SEBI Listing Regulations and are independent of the Management.

During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

A copy of the draft letter of appointment of Independent Directors setting out the terms and conditions of appointment is available for inspection by the Members at the Registered Office of the Company during office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board recommends the Resolutions as set out in Item Nos. 8, 9 and 10 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the persons proposed to be appointed are in anyway deemed to be concerned or interested financially or otherwise in the Resolutions as set out in Item Nos. 8, 9 and 10 of the Notice.

Item No. 11: The Company is required to have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, has approved the appointment of Messrs. D C Dave & Co., Cost Accountants, (Firm Registration Number 000611), as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending December 31, 2019 at a remuneration of ₹12.00 lakhs plus applicable taxes and re-imbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

Pursuant to Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration proposed to be paid to the Cost Auditors.

Accordingly, consent of the Members is sought for passing the Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors.

The Board of Directors commends the Ordinary Resolution set out at Item No.11 of the accompanying Notice for approval by the Members.

None of the Directors, Key Management Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the Resolution.

By Order of the Board of Directors,
For ACC Limited

Ramaswami Kalidas
Company Secretary & Head Compliance
FCS No.: F-2440

Mumbai
February 5, 2019

Registered Office:
Cement House
121, Maharshi Karve Road
Mumbai 400 020

Profile of Directors

Details of Directors proposed to be appointed/re-appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Secretarial Standard-2.

Name of the Director	**Mr Narotam S Sekhsaria (Non Executive/ Non Independent Director)**	**Mr Christof Hassig (Non Executive/ Non Independent Director)**
Director Identification Number	00276351	01680305
Date of Birth	21.09.1949	25.04.1958
Nationality	Indian	Swiss
Qualification	Bachelor of Chemical Engineering from Bombay University	Masters in Banking, Advanced Management Programme from Harvard Business School
Date of Appointment on Board	27.12.1999	09.12.2015
Shareholding in ACC	NIL	NIL
Brief Profile of the Directors	Mr Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. He has introduced new standards in management, marketing, efficiency and corporate social responsibility to an industry which he has helped transform. A first generation industrialist, Mr Sekhsaria obtained his Bachelors Degree in Chemical Engineering with honours and distinction from the University of Bombay. He is the Principal Founder-Promoter and current Chairman of Ambuja Cements Limited. Mr Sekhsaria was invited to join the ACC Board in 1999 and was appointed Deputy Chairman in January, 2000. He is the Chairman of the Company since the year 2006. Mr Sekhsaria built Ambuja Cements Limited, setting up benchmarks for the Indian Cement Industry which had not been attained before. His acumen as an entrepreneur and technocrat transformed the company into the most efficient and profitable cement company in the country and redefined industry practices by changing the perception of cement from a commodity to a branded product. Mr Sekhsaria has championed the cause of community development by establishing the Ambuja Cement Foundation and transformed it into a model of excellence in social responsibility.	Mr Christof Hassig heads the Corporate Strategy and Mergers & Acquisitions functions in LafargeHolcim, reporting directly to the Chief Executive Officer. Before joining the former Holcim Limited in 1999, Mr Hassig worked for twenty five years at UBS in different functions, including as Global Relationship Manager and Investment Banker for multinational corporates in Switzerland and other countries. Within the former Holcim Limited, he was reporting directly to the Chief Financial Officer with many direct links to all other Executive Directors including Chief Executive Officer. For the past fifteen years, he has built and led the Department of Corporate Financing and Treasury. This function spans across all the geographic regions and includes matrix organizations with the finance department of the operating companies in various countries. In December 2012, he took over additional responsibilities as head of the newly created Mergers & Acquisitions function at Group level.

Name of the Director	**Mr Narotam S Sekhsaria (Non Executive/ Non Independent Director)**	**Mr Christof Hassig (Non Executive/ Non Independent Director)**
	With his considerable wealth of experience, Mr Sekhsaria brings immense value to the ACC Board. Under his leadership, ACC has achieved significant improvements in the areas of project management, logistics and in overall cost-competitiveness. The impact of his guidance is tangible from the high growth trajectory ACC has experienced since 1999.	In March 2013, the Group's Insurance Department was moved and integrated into the Corporate Finance & Treasury Department. He started his career with a three year apprenticeship in Banking followed by a Masters in Banking and Advanced Management Programme at Harvard Business School in 2006.
Expertise in specific functional areas	Doyen of the Cement Industry, he has been responsible for transforming the Cement Industry by setting benchmarks in the areas of Management, Marketing & Logistics and manufacturing efficiencies and sustainable development	Corporate Finance & Treasury; Mergers & Acquisitions
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited; JM Financial Asset Reconstruction Company Limited	Ambuja Cements Limited
Memberships/ Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including ACC Limited	NIL	NIL
Details of Board/ Committee Meetings attended by the directors during the year	Please refer to Corporate Governance Report	

Name of the Director	**Mr Shailesh Haribhakti (Non Executive/ Independent Director)**	**Mr Sushil Kumar Roongta (Non Executive/ Independent Director)**
Director Identification Number	00007347	00309302
Date of Birth	12.03.1956	09.05.1950
Nationality	Indian	Indian
Qualification	FCA; FICWA; CFP; CFE; CIA	Bachelor of Engineering (Hons.) – (Electrical) from Birla Institute of Technology & Science (BITS), Pilani; Post Graduate Diploma in Business Management; International Trade. Fellow-All India Management Association (AIMA)
Date of Appointment on Board	17.02.2006	03.02.2011
Shareholding in ACC	NIL	NIL
Brief Profile of the Directors	Mr Shailesh Haribhakti is a career Chartered Accountant, with over four decades of experience in developing and leading one of India's most respected and diversified Chartered Accounting firms - Haribhakti & Co. LLP, Chartered Accountants. He stepped away from the Company's management on attaining the age of 62 in 2018. He is now pursuing the establishment of high quality auditing globally through a "not for profit" initiative surrounding his recently authored book – "Audit Renaissance". To provide universal dispersion of his knowledge and experience in corporate governance, he has teamed up with senior and highly respected professionals to manage Intuit Consulting Pvt. Ltd. which will provide digitally-enabled Governance and Compliance support to corporations globally. Apart from the directorships mentioned herein below Mr Haribhakti is on the Board of Gaja Capital Group and also serves on Advisory Boards of Doha Bank and Excellence Enablers Private Limited. To serve the Micro Small and Medium Enterprise (MSME) community he has set up a verification, diligence and shared services firm known as New Haribhakti Business Services Group through a process of interactivity over the internet and digitization. This group will serve to support safe lending and timely recovery of finances in the MSME sector. To give wings to equity investing in a "New India" he has established along with like minded professionals Mentorcap Management Pvt. Ltd. to invest in a new age car washing enterprise, alkaline water and solar refrigeration through the supply chain. Mr Haribhakti actively promotes "shared value" creation and a green environment through his own enterprise Planet People & Profit Consulting Private Limited and his leadership roles as Chairman of United Way and Chairman/ Member of the CSR Committees of some of the Boards that	Mr Roongta has a wide and varied experience in public sector undertakings. He is presently Non-Executive Chairman of Bharat Aluminium Company Limited (BALCO) and Talwandi Sobo Power Limited (TSPL). Earlier, during his tenure as Chairman of SAIL from August 2006 to May 2010, the ranking of SAIL among 'World Class Steel Makers' moved up to the second position from the seventeenth position, as per World Steel Dynamics, USA. Mr Roongta headed a Panel of Experts on the Reforms in the Central PSEs, constituted by the Planning Commission. He has also been a Member of the Committee formed by the Ministry of Corporate Affairs, to formulate a Policy Document on Corporate Governance. He is associated with several academic institutions, and has been the Chairman, Board of Governors, IIT Bhubaneswar (2012-2015) and is presently on the Board of Management of J.K. Lakshmipat University. He is also associated with apex Chambers of Commerce, being a member on National Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman of

Name of the Director	Mr Shailesh Haribhakti (Non Executive/ Independent Director)	Mr Sushil Kumar Roongta (Non Executive/ Independent Director)
	he serves on. He has successfully established the concept of "Innovate to Zero" which is in alignment with the idea of making the impact of every intervention focused, widespread, co-operative and far-reaching. Mr Haribhakti has a passion for teaching, writing and public speaking. He was associated with IIM-Ahmedabad as visiting faculty from 1981-83. He has led BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two years he served on the Standards Advisory Council of the IASB in London and was Chairman of NPS (National Pension Scheme) Trust from 2015-2017. He frequently contributes his views on public forums, to the press and to the electronic media.	the National Expert Committee on Minerals & Metals of Indian Chambers of Commerce (ICC) and co-chairs Industry Committee of PHD Chamber of Commerce and Industry. Mr Roongta is a recipient of several awards and accolades including SCOPE Award for excellence and for outstanding contribution to the Public Sector Management - Individual Category and IIM – JRD Tata award for Excellence in Corporate Leadership in Metallurgical Industries - 2016.
Expertise in specific functional areas	Auditing, Tax and Risk Advisory Services	General Management, and expert knowledge in Mines and Metallurgy Industries
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Torrent Pharmaceuticals Limited; L&T Finance Holdings Limited; Future Lifestyle Fashions Limited; Blue Star Limited; Mahindra Lifespace Developers Limited; Ambuja Cements Limited; NSDL e-Governance Infrastructure Limited; L&T Mutual Fund Trustee Limited; Bennett Coleman Company Limited	Jubilant Industries Limited; Talwandi Sabo Power Limited; Bharat Aluminium Company Limited; Jubilant Agri and Consumer Products Ltd.; Hero Steels Limited; Great Eastern Energy Corpn. Ltd.; Jubilant Life Sciences Ltd.; CL Educate Limited
Memberships/ Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including ACC Limited	**Audit Committee** **Chairman:** Torrent Pharmaceuticals Limited; L&T Finance Holdings Limited; Blue Star Limited; Bennett & Coleman & Company Ltd; NSDL e-Governance Infrastructure Ltd. **Member:** Mahindra Lifespace Developers Limited; Future Lifestyle Fashions Limited; L&T Mutual Fund Trustee Limited; **Stakeholders' Relationship Committee** **Member:** ACC Limited; Torrent Pharmaceuticals Limited;	**Audit Committee** **Member:** ACC Limited; Jubilant Industries Limited; Jubilant Agri & Consumer Products Limited; Great Eastern Energy Corporation Limited; Hero Steels Limited **Stakeholders' Relationship Committee** **Chairman:** Jubilant industries Limited
Details of Board/ Committee Meetings attended by the directors during the year		

Name of the Director	**Ms Falguni Nayar (Non Executive/ Independent Director)**	**Mr Damodarannair Sundaram (Non Executive/ Independent Director)**
Director Identification Number	00003633	00016304
Date of Birth	19.02.1963	16.04.1953
Nationality	Indian	Indian
Qualification	Graduate from Sydenham College of Commerce & Economics and Post Graduate from Indian Institute of Management, Ahmedabad	Fellow Member of the Institute of Cost Accountants of India, Post Graduate in Management Studies (MMS), Chennai, Advanced Management Programme (AMP), from Harvard Business School.
Date of Appointment on Board	24.04.2014	Proposed Appointment as Independent Director is for a period of five consecutive years commencing from the conclusion of the Annual General Meeting of the Company
Shareholding in ACC	NIL	NIL
Brief Profile of the Directors	Ms Nayar has a rich experience of over two and half decades. She started her career as a Manager and Consultant at A F Ferguson & Company. In 1993, she joined Kotak Mahindra Group to lead the M&A and Project Advisory Initiatives. She has held senior positions in various capacities and was the Managing Director and Chief Executive Officer of Kotak Investment Bank from 2006 to 2012. Ms Nayar is the founder and Chief Executive Officer of Nykaa.com, a beauty retail platform which she launched in 2012. Ms Nayar was recognized as a Top Woman in Business by Business Today in 2011 and 2017. She has also received the FICCI Ladies Organization Award for Top Woman Achiever in the field of banking in 2008. In 2017 Ms Nayar has won the "Woman Ahead" award at The Economic Times Start-Up Awards 2017.	His experience spans corporate finance, business performance,monitoring operations, governance, mergers and acquisitions, talent/people management and strategy. Mr Sundaram joined Hindustan Unilever Limited (HUL) as a Management Trainee in 1975 and served in various capacities as Corporate Accountant, Commercial Manager and Treasurer till 1990 when he was seconded to Unilever, London as Commercial Officer for Africa and Middle East Group between 1990 and 1993. He was the Commercial Manager of TOMCO integration team in 1993-94. He was Chief Financial Officer of Brooke Bond Lipton from 1994-1996 and served in Unilever, London between 1996 to 1999 as Senior Vice-President (Finance, IT and Strategy) for South Asia and Middle East. In April, 1999, he returned to HUL as Finance and IT Director. He was elevated as Vice-Chairman of HUL in April 2008. Mr Sundaram has a rich experience with HUL of over three decades. He was twice awarded the prestigious "CFO of the Year for FMCG Sector" by CNBC TV 18 in the years 2006 and 2008. He is currently the Vice Chairman and Managing Director of TVS Capital Funds Limited in partnership with the TVS Family in a growth capital Private Equity Fund (PE Fund) . Mr Sundaram brings with him deep financial expertise and significant understanding of consumer related businesses.
Expertise in specific functional areas	Financial services and e-marketing	Has vast expertise in corporate finance, business performance, mergers & acquisitions, talent/people management and strategy

Name of the Director	**Ms Falguni Nayar (Non Executive/ Independent Director)**	**Mr Damodarannair Sundaram (Non Executive/ Independent Director)**
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Dabur India Limited; Tata Motors Limited; Endurance Technologies Limited; Tata Technologies Limited; Kotak Securities Limited	Infosys Limited; GlaxoSmith Kline Pharmaceuticals Limited; Crompton Greaves Consumer Electricals Limited; TVS Electronics Limited; SBI General Insurance Company Limited
Memberships/ Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including ACC Limited	**Audit Committee** **Chairman:** Tata Technologies Limited **Member:** Kotak Securities Limited; Tata Motors Limited **Stakeholders' Relationship Committee** **Member:** Tata Motors Limited	**Audit Committee** **Chairman:** Crompton Greaves Consumer Electricals Limited; GlaxoSmith Kline Pharmaceuticals Limited; Infosys Limited **Member:** TVS Electronics Limited; SBI General Insurance Company Limited **Stakeholders' Relationship Committee** **Chairman:** TVS Electronics Limited **Member:** Crompton Greaves Consumer Electricals Limited
Details of Board/ Committee Meetings attended by the directors during the year	Please refer to Corporate Governance Report	Not Applicable

There are no inter-se relationship between the Board Members

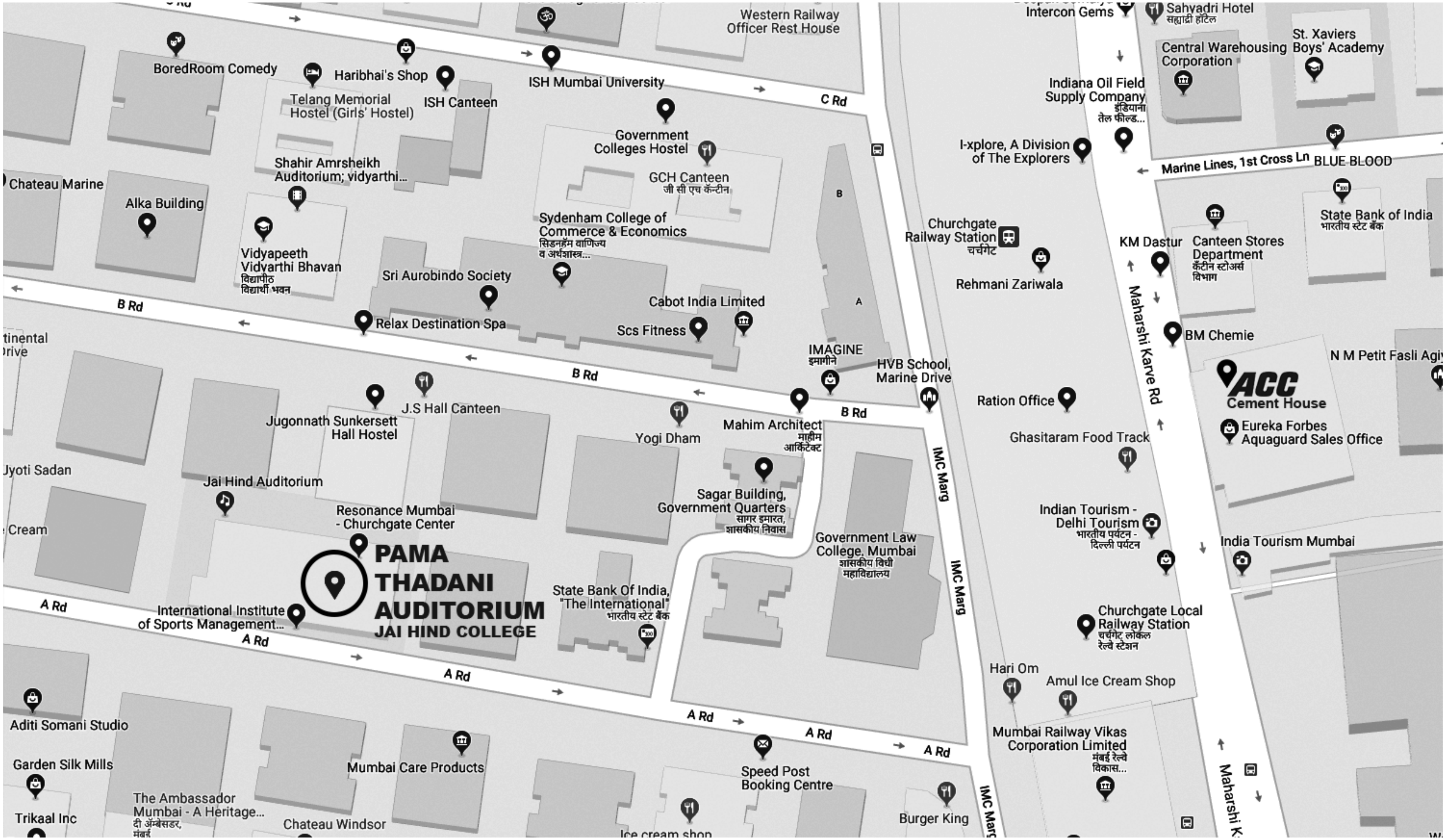
Name of the Director	**Mr Vinayak Chatterjee (Non Executive/ Independent Director)**	**Mr Sunil Mehta (Non Executive/ Independent Director)**
Director Identification Number	00008933	00065343
Date of Birth	30.08.1959	22.08.1957
Nationality	Indian	Indian
Qualification	Graduate in Economics (Hons.) from Delhi University; MBA from the Indian Institute of Management, Ahmedabad	Commerce Graduate from Shri Ram College of Commerce, Delhi University. Fellow Member of the Institute of Chartered Accountants of India; Alumni of the Wharton School of Management, University of Pennsylvania, USA
Date of Appointment on Board	Proposed Appointment as Independent Director is for a period of five consecutive years commencing from the conclusion of the Annual General Meeting of the Company	Proposed Appointment as Independent Director is for a period of five consecutive years commencing from the conclusion of the Annual General Meeting of the Company
Shareholding in ACC	NIL	NIL
Brief Profile of the Directors	He co-founded Feedback Infra in 1990. Feedback Infra is India's leading provider of professional and technical services in the infrastructure sector. These services include Advisory, Planning & Engineering, Project Management and Operations & Maintenance. Feedback Infra has ~9000 professionals, predominantly engineers and MBAs from India's Top schools. It is headquartered in Gurgaon, National Capital Region of Delhi and has Regional Offices in Mumbai, Bhubaneswar, Bangalore, Chandigarh, Hyderabad and Ahmedabad and overseas offices in Dubai, Jakarta, Nigeria and Kathmandu. Mr Chatterjee has often been called upon to play a strategic advisory role to leading domestic and international corporates, the Government of India, various Ministries dealing with infrastructure, as well as multilateral and bilateral institutions in the areas of infrastructure planning and implementation. He is one of the leading proponents of the Public-Private Partnership (PPP) model for developing India's infrastructure.	Mr Sunil Mehta has over three and a half decades of proven leadership experience in banking, financial services, insurance and investments with Citibank and AIG. In 2013, he left AIG where he was the Country Head & CEO for AIG India since 2000. Subsequently, he started SPM Capital Advisers Pvt. Ltd. Mr Mehta is the Chairman and Managing Director of SPM Capital Advisers Pvt. Ltd., a leading business advisory and consulting firm in India. As Country Head & CEO for AIG in India, Mr Mehta was responsible for all AIG businesses in India covering Insurance, Financial Services, Real Estate and Investments amongst other businesses. He set up AIG's insurance JVs with Tatas and was responsible for expanding AIG's presence across ten businesses in India which included Life & Non-Life Insurance, Private Equity, Asset Management, Real Estate, Home Finance, Consumer Finance, Software Development, Mortgage Guaranty and Aircraft Leasing. He was on the Board of all AIG Companies in India and also on the Board of IDFC Ltd. for several years. Prior to joining AIG, Mr Mehta worked with Citibank for over 18 years where he held various senior positions covering operations, sales & risk process re-engineering, risk management, public sector business and corporate banking. His last assignment was Corporate Bank Head for Citibank India and Senior Credit Officer. Mr Mehta was an Independent Director on the Board of State Bank of India till March 2017. He is presently Chairman of Punjab National Bank and Board Member of IL&FS Investment Managers Limited. In addition, he is Senior Advisor to notable international/domestic firms amongst other responsibilities.

Name of the Director	**Mr Vinayak Chatterjee (Non Executive/ Independent Director)**	**Mr Sunil Mehta (Non Executive/ Independent Director)**
	He is currently the Chairman of the Confederation of Indian Industry's (CII) "National Council on Economic Affairs" and has chaired various Infrastructure and related Committees at the national level of CII since 2001. In 1998, the World Economic Forum at Davos selected him as one of the 100 Global Leaders of Tomorrow and in 2011the Indian Institute of Management, Ahmedabad conferred on him the "Distinguished Alumnus Award". He is a well-read columnist and writes a monthly column on infrastructure for Business Standard called "INFRATALK". He has authored a book titled "Getting it Right – India's Unfolding Infrastructure Agenda" published in 2011.	Mr Mehta was recently asked to Chair the Committee of Resolution of Stressed Assets by the Honorable Finance Minister. Other Members of the Committee include the Chairman of SBI, Managing Director of BOB and Deputy Managing Director of SBI. The Committee presented the Sashakt Report to the Finance Minister on July 2, 2018 which is currently under implementation. Mr Mehta is closely engaged with various Think Tanks and Chambers of Commerce. He is the founding Board Member of the Asia Society India Centre and a Past Chairman of American Chamber of Commerce (AMCHAM India). He is currently on the India Advisory Board of US India Strategic Partnership Forum (USISPF). Mr Mehta has strong interests in building sustainable communities and is the immediate Past Chairman of Action for Ability Development and Inclusion (formerly The Spastics Society of North India). He is actively engaged with The United Way and on the Boards of United Way India and Mumbai. He was also the Chairman of both these organizations and also member of the Global Transition Board of United Way Worldwide.
Expertise in specific functional areas	Expertise in infrastructure planning and implementation. One of the leading proponents of Public-Private Partnerships model for developing India's infrastructure.	Rich and varied experience of over three decades in banking, financial services, insurance & investments
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	SRF Limited; Feedback Energy Distribution Company Limited; KEC International Limited; Apollo Hospitals Enterprises Limited; Indraprastha Medical Corporation Limited	Punjab National Bank; IL&FS Investment Managers Limited; Sashakt India Asset Management Limited
Memberships/ Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including ACC Limited	**Audit Committee Chairman:** SRF Limited **Stakeholders' Relationship Committee Member:** SRF Limited	Nil
Details of Board/ Committee Meetings attended by the directors during the year	Not Applicable	Not Applicable

There are no inter-se relationship between the Board Members

MAP SHOWING LOCATION OF THE VENUE OF 83rd ANNUAL GENERAL MEETING OF ACC LIMITED

VENUE: Pama Thadani Auditorium, Jai Hind College, "A" Road, Churchgate, Mumbai 400020



Landmark: Near Churchgate Station

Distance from Churchgate Station: 0.2 Km

Distance from Chhatrapati Shivaji Maharaj Terminus: 2 Kms

BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS OF
ACC LIMITED

The Directors are pleased to present the Eighty Third Annual Report of the Company together with the audited financial statements (Consolidated and Standalone) for the year ended December 31, 2018. The section on Management Discussion and Analysis (MD&A) forms a part of this report.

1. FINANCIAL RESULTS

	Consolidated ₹ Crore		Standalone ₹ Crore	
	2018	**2017**	**2018**	**2017**
Revenue from Operations*	14,801.62	13,263.12	14,801.35	13,262.59
Other Income	142.66	128.86	138.50	131.65
Total Income	**14,944.28**	**13,391.98**	**14,939.85**	**13,394.24**
Profit before Tax	1,510.11	1,310.06	1,494.29	1,298.36
Tax Expenses**	(10.51)	385.55	(12.34)	382.91
Profit for the year	**1,520.62**	**924.51**	**1,506.63**	**915.45**
Attributable to:				
Owners of the Company	1,520.47	924.41	1,506.63	915.45
Non-controlling interests	0.15	0.10	-	-
Other Comprehensive Income (OCI)	(4.84)	2.24	(4.85)	2.37
Total Comprehensive Income	**1,515.78**	**926.75**	**1,501.78**	**917.82**
Owners of the Company	1,515.63	926.65	1,501.78	917.82
Non-controlling interests	0.15	0.10	-	-
Opening Balance in retained earnings	**5,526.05**	**4,983.63**	**5,541.33**	**5,007.74**
Amount available for appropriations	7,041.68	5,910.28	7,043.11	5,925.56
Appropriations:				
Interim Dividend paid for 2017	-	206.57	-	206.57
Final Dividend paid				
- For 2017	281.68	-	281.68	-
- For 2016	-	112.67	-	112.67
Tax on Equity Dividend	57.90	64.99	57.90	64.99
Closing Balance in retained earnings	6,702.10	5,526.05	6,703.53	5,541.33

*Figures for Revenue from Operations are comparable numbers .i.e Excise Duty has been removed as the same does not form part of Revenue post GST implementation.

**Including write back of ₹ 500.63 crore relating to tax provision of earlier years.

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

- Consolidated income, comprising of revenue from operations (net of excise) and other income, for the year was ₹ 14,944.28 crore, 12% higher as compared to ₹ 13,391.98 crore in 2017.
- Total consolidated revenue from operations (net of excise) increased to ₹ 14,801.62 crore from ₹ 13,263.12 crore in 2017.
- Other operating revenue for the year 2018 was ₹ 324.15 crore representing a decrease of 8 % over the previous year.
- Consolidated Profit Before Tax for the year was ₹ 1,510.11.crore as compared to ₹ 1,310.06 crore in 2017.
- Consolidated Profit After Tax for the year was ₹ 1,520.62 crore as compared to ₹ 924.51 crore in 2017.
- No material changes or commitments have occurred between the end of the financial year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

3. DIVIDEND

The Board of Directors has recommended payment of dividend of ₹ 14 /- per Equity Share of ₹ 10 face value aggregating to ₹ 316.94 crore (including tax on dividend).

The Dividend Distribution Policy of the Company is annexed to this Report as Annexure 'A' and is also uploaded on the Company's website at http://www.acclimited.com/assets/new/new_pdf/Dividend_Distribution_Policy.pdf

Unclaimed dividends pertaining to the 73rd Final dividend and the 74th Interim dividend respectively for the years 2010 and 2011 totaling to ₹ 4.08 crore have been transferred to the Investor Education and Protection Fund in accordance with Statutory requirements.

4. SHARE CAPITAL

The Company's paid-up Equity Share Capital continues to stand at ₹ 187.79 crore as on December 31, 2018.

During the year, the Company has not issued any shares or convertible securities. The Company does not have any Scheme for issue of shares including sweat equity to the employees or Directors of the Company.

5. FINANCIAL LIQUIDITY

Cash and cash equivalent as at December 31, 2018 was ₹ 2,933.21 crore (Previous year ₹ 2,559.66 crore).

The Company's working capital management is robust and involves a well-organized process which facilitates continuous monitoring and control over receivables, inventories and other parameters.

6. CREDIT RATING

As in the previous years, CRISIL has given the highest credit rating of CRISIL AAA/ STABLE for long term and CRISIL A1+ for short term financial instruments of the Company. This reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet financial obligations.

7. DEPOSITS

The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 (hereinafter referred to as "The Act") and the Rules framed thereunder during the year under review.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the Notes to Financial Statements (Refer Note No. 47).

9. ECONOMIC SCENARIO AND OUTLOOK

The Indian economy started the fiscal year 2018 with an upward trajectory showing a robust growth of 7.4%. The improvement in the economic scenario has led to increase in investments in several sectors of the economy.

In the union budget 2019, the Government has committed to further strengthen infrastructure initiatives. We believe that these will positively impact cement demand and boost economic growth.

The silver linings on the horizon are that World Bank has forecast that private investments in India shall grow by 8.8% in FY 2018-19 to overtake private consumption growth of 7.4%, and thereby drive the growth in India's Gross Domestic Product (GDP) in FY 2018-19. Investments are expected to flow in sync with a rising trend in capacity utilization.

Approximately 1.29 million houses have been constructed till December 2018, under Government of India's Pradhan Mantri Awas Yojana (Urban). Cement sector recorded a robust growth during the year as compared to the previous year.

India has retained its position as the third largest "start-up" base in the world. According to a report by NASSCOM, over 4,750 technology start-ups, and about 1,400 new start-ups have been founded in 2016. India's labour force is expected to touch 160 -170 million by 2020, based on rate of population growth, increased labour force participation and higher education enrolment, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

The Government of India, under the "Make in India" initiative, has provided an environment to give a boost to the manufacturing sector and aims to take it up to 25% of the GDP from the current

17%. It also aims to increase the purchasing power of the average Indian consumer, which would further boost demand, and stimulate development, in addition to benefitting investors. The Government's "Digital India" initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and increasing digital literacy will lead to empowerment in the rural areas.

10. CEMENT INDUSTRY - OUTLOOK AND OPPORTUNITIES

Cement Industry Overview and Market Size

India is the second largest cement producer in the world with a cumulative 502 million tonnes per annum (MTPA) cement production capacity in 2018, which is estimated to touch 550 MTPA by 2020. Cement sector has recorded growth of ~8.5% during 2018 as compared to ~6% in 2017. Domestic cement production was higher by ~8% at 325 million tonnes in 2018, against 301 million tonnes in 2017.

Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can prove to be uneconomical. This has resulted in cement being largely a regional play with the industry divided into five main geographic regions viz. (i) North, (ii) South (iii) West, (iv) East and(v) Central. The Southern region of India has the highest installed capacity, accounting for about one-third of the country's total installed cement capacity.

Cement demand is expected to be driven by Eastern, Central and Northern regions. Going forward, the markets in the Eastern region would hold out opportunities for cement companies to ride the crest of demand.

As per Indian Brand Equity Foundation (IBEF) in FY 2019, demand for cement is expected to grow by 7-8% led by affordable housing, rural Individual Home Builders (IHBs) and infrastructure - led activities. The housing and real estate sector is the biggest demand driver of cement, accounting for about 65% of total consumption in India as at December 2018. In the Budget 2018-19, Government of India has announced setting up of an Affordable Housing Fund under the National Housing Bank (NHB) for easing credit to homebuyers. This move is expected to further boost the demand for cement from the housing sector.

Other major demand for cement comes from public infrastructure which is ~ 20% and for industrial development which is ~ 15%. The Government of India is strongly focused on infrastructure development to boost economic growth. Aiming for 100 smart cities, it also intends to expand the capacity of the railways and the facilities for handling and storage at railway sidings and ports with a view to ease the transportation of cement and reduce transportation costs. These measures, apart from benefitting the cement industry would also provide opportunities for higher demand for cement on account of increased construction activity.

With anticipated increase on infrastructure spending, the cement sector is expected to grow and in turn positively impact India's economy.

12. SALES VOLUME & PRICING

Cement sales of the Company in 2018 increased by 8% to 28.37 million tonnes from 26.21 million tonnes achieved in 2017. Retail Segment (Individual House Builders & Ground plus three storey (G+3) Buildings) continue to remain the largest customer segment in terms of volume and profitability. Your Company has also carved out for itself a niche in infrastructure, commercial and institutional buyer segments which contributes to the bottom line. For these segments which are mainly "B2B" contracts, an integrated approach to marketing is followed where the Company partners with Government authorities and construction companies to provide value added products and services for infrastructure and urban rejuvenation projects. With increasing urbanization and greater rural empowerment, the demand from these sectors is expected to accelerate.

13. MARKET DEVELOPMENT

The name "ACC" is synonymous with cement. The Company has, over its 83 years of existence, assiduously built a strong brand equity and brand recall and has a strong customer base which is loyal to the Brand.

Your Company sells ~ 80% of its cement in retail i.e Business to Consumer (B2C) which it services through its strong channel network of ~ 11,000 Dealers and ~ 35,000 Retailers/ Sub-Retailers located across the length and breadth of the country. For developing its Business to Business (B2B) customer base, dedicated teams have been set up to service residential and infrastructure segments.

Over the years, the Company's marketing teams have developed a deep understanding of customer preferences and requirements which enables it to maximize utilization of existing capacity on "product value-based volume strategy". This has resulted in creation of new revenue lines with introduction of new product. Composite Cement has been launched and its volumes scaled up in the Eastern region. The sale of premium products has been ramped up. Substitution of Ordinary Portland Cement (OPC) with more environment friendly Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC), and new value added high performance cements and solutions have been added to the product portfolio. ACC LEAKBLOCK – a water proofing solution for retail segment has been introduced.

With a view to increase the share of wallet per counter and to remain connected with the channel and retail customers, various steps have been taken for effective channel management. The web based "ACC Dealer Connect App/Portal" enables the channel to digitally transact and track information on real time basis and "Service Connect App" helps to digitally capture 100% site information of Influencers for effective conversion and providing on-site services to home builders. The "Construction ka Doctor" serves as a help desk to answer technical queries, provide guidance on cement applications and onsite service interventions to Individual House Builders, thereby offering better value proposition to our customers.

ACC's branding team has effectively used social media to launch and promote the Company's product and services thereby further strengthening the "ACC" Brand.

Thus, your Company is able to create an experience of "customer delight" through its products and services and thereby has expanded its market reach.

14. CEMENT BUSINESS – PERFORMANCE

	2018	2017	Change %
Production - million tonnes	28.36	26.56	7 %
Sales Volume - million tonnes	28.37	26.21	8 %
Net Sale Value (₹ crore)	13,387.09	11,993.63	12 %
Operating EBITDA (₹crore)*	1,981.17	1,794.15	10 %
Operating EBITDA Margin (%)	14.80	14.96	(16) BPS

* excluding employee separation cost of ₹ 70.37 crore in 2018

14.1. Costs – Cement Business

During the year 2018, the Company maintained a close focus on effective cost management through various proactive initiatives across its facilities and operations.

a) Cost of materials consumed

The input cost of materials consumed per tonne of cement during the year was higher by 11% as compared to 2017.

Higher procurement costs of slag impacted material cost adversely. The surge in demand for slag and procurement from long lead sources led to price increase resulting in 55% increase in the landed cost of slag.

The landed cost of flyash reduced by 4% as against previous year on account of increased usage of cheaper wet flyash and through source-mix optimization.

Increased usage of cheaper activated gypsum and procurement from cheaper sources helped in reducing the gypsum cost by 5%.

The above measures as also other measures taken by the Company for improving manufacturing efficiency parameters and for product mix optimization have to some extent helped in mitigating the steep rise in the cost of materials.

Sustained efforts were made to improve flyash absorption which enabled the Company to reduce the clinker factor by producing a higher share of blended cements which in turn had a positive impact on the contribution despite sharp rise in the cost of slag as stated above.

b) **Power & Fuel**

Power & Fuel costs account for ~25% of the total operating cost. Optimizing power and fuel costs is one of the major drivers for improving the Company's operational performance. The Company constantly endeavours to reduce fuel costs by maximizing the use of linkage coal, judicious procurement of market coal through e-auctions and imports, better fuel mix, higher use of cheaper coal and use of alternative fuels. As a result of these initiatives, kiln thermal efficiency improved by 4MJ to 3099 MJ /per tonne of clinker during the year as against 3103 MJ/per tonne of clinker in 2017, Electrical energy efficiency improved by ~1 kwh to 69 kwh/t of clinker as against 69.9 kwh/t clinker in 2017 and by 1.6 kwh to 38.5 kwh/t of cement grinding as against 40.1 kwh/t cement grinding in 2017. This to a large extent helped in containing the adverse impact caused by increase in the per tonne cost of Power and Fuel to 7% over the previous year.

Thermal power cost was adversely impacted on account of increase in prices of pet coke and imported as well as domestic coal. Non-availability of linkage coal owing to prioritization of allotments to the power sector was another factor which led to the increase in Thermal Power Cost. The generation cost per Kwh of the Company's thermal power plants (TPP) in 2018 went up by 6.7% to ₹ 5.39 per unit as against ₹ 5.05 per unit in 2017. The Company's Waste Heat Recovery plant of 7.5 MW at Gagal delivered a saving of ₹ 22 crore during the year.

c) **Freight & Forwarding expenses**

Freight and Forwarding expenses during the year were ₹ 3,876.08 crore as compared to ₹ 3,338.96 crore in 2017. This was on account of higher volume of despatches, rise in diesel prices and increase in packing material costs on account of increase in polypropylene prices. Clearing and forwarding charges were also higher due to hiring of additional godown space and higher handling of premium products. This increase was despite the continuous efforts made to improve evacuation efficiency, reduce lead by increasing the market share in home markets, availing of beneficial railway schemes for freight reduction, benchmarking and renegotiation of contracts with the transporters.

d) **Employee costs**

Employee costs during the year increased by 7%. The Company has taken out various initiatives which are expected to improve productivity and optimize employee costs.

15. CAPACITY EXPANSION

The Board of Directors has granted its approval to the Company for setting up :

i. A Greenfield Integrated Cement Plant at Ametha, District Katni, Madhya Pradesh (Clinker capacity of 3 MTPA and Cement capacity of 1 MTPA) along with expansion of the existing grinding unit in Tikaria, Uttar Pradesh (Cement capacity of 1.6 MTPA) and a third grinding unit also in Uttar Pradesh (cement capacity 2.2 MTPA)

ii. 1.1. MTPA Cement Grinding Facility at the existing location at Sindri, Jharkhand.

The above projects are estimated to cost ~ ₹ 3000 crore which is proposed to be funded through internal accruals.

The said expansion will help the Company to maintain the price premium and strengthen its product portfolio. Ramp up of capacity as aforesaid is also likely to be supported by a demand growth will enable the Company to strengthen its market share in the Central and Eastern markets.

16. READY MIX CONCRETE AND ICI BUSINESS

16.1 Ready Mix Concrete (RMX):

During the year 2018, RMX has surpassed its performance over the earlier years, witnessing a substantial growth both in terms of volume and EBITDA.

	Unit	2018	2017	Change %
RMX Production Volume	Lakh m3	31.29	27.29	15%
RMX Sales Volume	Lakh m3	31.57	27.10	16%
Net Sale Value	₹ Cr	1306.38	1140.48	15%
Operating EBITDA	₹ Cr	133.83	114.98	16%
Op. EBITDA Margin	%	10.24	10.08	16 BPS

The RMX business of the Company has been consistently performing well. RMX sales volume & EBITDA rose by 16% in 2018 as compared to the previous year.

During the year, RMX business expanded its footprint by adding 18 new Plants. These Plants are located in high contribution and high EBITDA margin markets across the country. With this addition, the nationwide network of RMX Plants comprises of 75 state-of-the-art Plants.

Over the years, RMX business arm of the Company has developed a wide customer base across diversified profitable construction segments ranging from residential / commercial building complexes to infrastructure projects including underground metro projects and individual house builder (IHB) segment. Each segment/ project has its special requirement of concrete application and construction needs. The RMX business with its technical capabilities and its range of Value Added Products and solutions stands out among other ready mix concrete suppliers as a solution provider for varied construction needs. To support the road segment, a "rapid hardening ready to use material" has been developed specially to counter the menace of potholes on the roads. This 15 minutes pothole repair solution allows the road to be opened for traffic within 15 minutes after its application. The product has been successfully demonstrated to the concerned Municipal authorities in Bengaluru and Mumbai. Some of the other special application products recently developed are fire resistance concrete and thermal insulation concrete.

Keen focus on day-to-day sales, rigorous business tracking mechanism, a well-defined pricing policy and increase in sale of "Value Added Solutions" (VAS) were some of the key success factors for the RMX business in the year 2018.

16.2 B2B- Focused approach on Infrastructure & Residential Projects

Infrastructure development gained momentum in 2018 with the impetus received from Government schemes under implementation for the development of roads, rail and metro as part of urban rejuvenation.

With an Integrated B2B approach, the Company is well poised to offer customised cement applications, value added products and services to its customers. RMX teams are engaging with customers/clients from the initial stage of projects. With this integrated marketing approach, B2B sales have grossed 5.79 mio MTPA in 2018.

RMX teams have been promoting the use of environmentally friendly blended cement for use in infrastructure projects. This change in specification of cement from OPC to blended cements like PPC/ PSC has been a slow journey and has posed a huge challenge in view of the set market practice of making concrete at site which is more cost effective for the contractors. The RMX teams' efforts towards promoting the use of RMX made with blended cement for infrastructure projects and large /mid-size real estate developers has resulted in increased sales of 2.6 mio MTPA in this product range which represents a 10% increase over the previous year 2017.

Focus will continue in the current year to win in the markets with customer engagement at all levels.

17. SUSTAINABLE DEVELOPMENT (SD)

Your Company's tryst with sustainability which began from the nascent years of its incorporation, has received greater vigour and focused attention in recent years. Your Company has been releasing its Sustainability report as per Global Reporting Initiative (GRI) framework since 2009. The Sustainability Report is available on the Company's website at www.acclimited.com.

17.1 SD 2030 Plan – Building for Tomorrow

In 2016, a structured sustainability strategy was drawn up under "SD 2030 Plan" defining the focus areas viz. (i) climate, (ii) circular economy, (iii) water & nature, and (iv) people & communities, and the roadmap with measurable targets to achieve the set goals by 2030. The SD 2030 Plan is aligned with the LafargeHolcim Group's Plan. In line with "SD 2030 Plan", during the year, the Company has taken various initiatives to achieve the set targets. Snippets of this journey are set out below:

17.2 Climate:

17.2.1 CO_2 emissions

As per the SD 2030 Plan which charts the sustainable development roadmap, the Company has taken a target to reduce Specific CO_2 emissions by 40% per tonne of cement (vis-a-vis the base of 1990). To achieve this, following initiatives were continued with vigour during the year which have resulted in reducing specific CO_2 emission to 504.55 kg/T of cement in 2018, a reduction of ~3.8% over the previous year.

a) Clinker Factor

The percentage of CO_2 emission is directly proportionate to the manufacture of OPC. During the year, the manufacture of blended cement was increased to ~88% and composite cement has been launched in the Eastern Region. This has enabled a reduction of 1.68% in CO_2 emission.

Reducing Thermal Energy: Your Company has implemented various energy conservation measures which have helped in reducing the Thermal energy from 3103 MJ/T to 3099 MJ/T of Clinker.

b) Green Energy and Power Generation through Waste Heat Recovery System

The Company has installed wind farms in three States viz., Tamil Nadu, Rajasthan and Maharashtra with a total capacity to generate ~19MW of renewable energy. 34.74 million units of renewable energy were generated from these captive sources during the year. Additional "green power" of 44.48 million units were procured through Power Purchase Agreements. Thus, 80.68 million units of "green energy" were used in 2018 representing an increase of 83.70% as compared to the previous year.

The Waste Heat Recovery system at Gagal Cement Works also generated 52.97 million units of green electrical energy during the year.

d) Alternative Fuels and Raw Materials (AFR)

The manufacture of cement is an energy intensive process. Coal and petcoke are the main fuels used by the cement industry in India. The use of these fuels is not sustainable as it produces higher % of CO_2 emission. Further the use of coal leads to depletion of natural resources. Accordingly, the use of alternative fuels (AFR) in the production of cement is a preferred option. The Company has set up platforms for co-processing hazardous, non hazardous and municipal waste for use as "Refuse Derived Fuel" (RDF) and biomass in its kilns wherever permissible by law and recently this facility at Wadi Cement works has been expanded.

Through its "Geocycle" activity, continuous efforts are made by the Company to provide safe waste management solutions to industries and municipalities while meeting the highest standards of health, safety and sustainability. Geocycle is also promoting the use of alternative fuels through advocacy at appropriate forums and by creation of stakeholders' awareness in this regard. The Government's "Swach Bharat" programme coupled with mega cities looking for solutions for municipal waste management, co-processing of waste for use as RDF is expected to get greater traction in future.

17.3 Controlling Emissions

During the year, the Company achieved 100% compliance to New Emission Regulations for cement plants by implementing various primary and secondary measures. Brief details of these initiatives are given below:

Dust emission control

Various primary measures such as installation of Computational Fluid Dynamics (CFD) study in Electrostatic Precipitators (ESPs) along with up-gradation to 3 phase Transformer Rectifier sets, high frequency controllers and rapper panels on coolers etc were implemented. The above measures have together resulted in ensuring stack dust emissions in Cement Plants < 30mg/Nm3.

NOx emission control

Measures for NOx emission control comprising of CFD modeling, meal curtain and low NOx burners as primary measures and installation/ commissioning of SNCR systems in all its Integrated Cement Plants as secondary measures have been implemented. This has resulted in ensuring compliance to NOx emissions as per new emission regulations.

SOx emission control

The Company's SOx emissions are well within the specified regulatory limits and do not require any emission control measures.

All the Company's Plants are required to have continuous online reporting of ambient air quality and process emission on a real time basis on the websites of regulatory authorities.

17.4 Circular Economy:

During the year, 6.05 million tonnes of flyash, 3.31 million tonnes of slag, 1.49 million tonnes of crushed rock fines and 0.37 million tonnes of alternative raw materials were consumed, thus providing sustainable and environmentally friendly solution for waste management.

17.5 Water & Nature:

Water conservation

In line with its SD 2030 Plan to become water positive, the Company continued its efforts in water conservation, particularly through the creation of new water bodies, rehabilitating and replenishing existing water tables and to conserve fresh water through rain water harvesting in plants, mines, colonies and within the community in which the Plants operate.

During the year, ACC consumed around 2.23 million m3 of harvested rain water in cement operation which is almost 46% of total water consumption.

Biodiversity

This year, in its journey to conserve nature and preserve biodiversity, International Union for Conservation of Nature (IUCN) organization was invited to conduct capacity building program for environment and mining managers at the Plants to sensitize and train them in the use of Biodiversity Indicators & Reporting Systems (BIRS) for data analytics and planning. As per the SD 2030 Plan, the Company is committed to bring about a positive change on biodiversity by 2030 vis-a-vis the baseline of 2020. The baseline assessment has already been completed ahead of 2020 and action plan for biodiversity conservation is being firmed up in consultation with third party experts.

17.6 Green Building Centers (GBCs)

As part of the ongoing program to promote sustainable, green, cost effective and affordable construction in semi-urban and rural India, through Green Building centers, the Company supports local micro-entrepreneurs and small businesses to make and market affordable cement-based home building components and pre-fabricated materials. During the year, the Company has assisted in setting up 108 new Green Building Centers. These Green Building Centers have helped in utilization of 37,577 MT of Flyash, conservation of 81,416 MT of Earth's natural top soil and avoidance of 5,730 MT of CO_2 emission during the year. Further, through this initiative in all 27,769 low cost housing /shelters have been constructed till date.

Increased resources conservation through enhanced energy and water efficiency, use of renewable energy, minimization of waste etc., during the manufacturing process has contributed to the betterment of the environment.

17.7 Product Stewardship: Environment Product Declaration and Greenpro Certification

Your Company has been one of the first companies to manufacture eco-friendly products such as blended cements and it aims to strengthen its efforts towards environment protection, health and safety performance throughout the entire life cycle of its products. During the year 2018, your Company completed the process of assessing its impact across life cycles of its products through Environment Product Declaration (EPD) for all its cement and concrete products and published the EPDs. Your Company is the first in India to obtain certified EPDs for all its cement and concrete products. These EPDs can be used at National and International level to enhance the Green Building Rating. The Company has also obtained Greenpro certification for all the cement products.

18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

ACC has structured its Social Development interventions through ACC Ayushmaan Trust (now known as ACC Trust after receipt of necessary approvals), in alignment with Global Sustainable Development Goals. Community development interventions undertaken in previous years continued with further vigour and widening of portfolio of projects, that included projects contributing to national vision of achieving 'Skilled India'.

Total CSR expenditure incurred by your Company during the year was ₹ 20.45 crore which was higher than the statutory limit. The CSR Projects of the Company mainly focused on the following broad thematic areas namely sustainable livelihood, quality education and Water, Sanitation and Hygiene (WASH) that are compliant with the Act and the relevant rules thereunder.

The Company's community development projects reached out to more than 4.79 lakh people residing in 185 villages across the country.

Initiatives taken by the Company to act as an enabler for creation of livelihood helped 17,034 farmers to enhance agricultural production through better methods of agriculture and animal husbandry. Company's employability linked skill development initiatives benefitted ~2,303 youth. ~132 Self Help Groups (SHGs) were supported for formation and institutional strengthening, while existing ~1,430 SHGs were provided with continued support for sustenance and bank linkages. Many SHGs have set up micro enterprises and formulated duly registered federations to achieve larger common good. Education initiatives in the vicinity of plants addressed needs of ~ 44,338 students during the year. Disbursement of Scholarships under the Company's VidyaSaarathi scheme which is an end-to-end online scholarship helped ~ 478 meritorious students from weaker sections of society across the districts in which the Company's units are located to get financial support to pursue their dream of better education. Modern methods of learning such as smart classes and interactive kiosks benefitted students in 53 rural schools. Efforts were made to provide education to ~ 1,380 girl children as part of the "ACC ki Laadli" project. Seven Government-run Industrial Training Institutes (ITIs) continued to receive support under the Public Private Partnership Scheme with Government of India.

Access to WASH is one of the goals of SD 2030 Plan to be achieved by 2030. The WASH pledge is an initiative by the World Business Council for Sustainable Development, an Organization led by CEOs of leading companies including LafargeHolcim Limited. The Company has assessed all its Plant sites for WASH and action plan has been drawn up. The Company's development initiatives for WASH benefitted a substantial cross-section of people. Over 12,581 children received access to better health and nutrition through support provided to 305 Anganwadi centres. ART Centers and STI Clinics supported by the Company provided counseling, testing and treatments for HIV/AIDS to more than 3000 persons. The Trust that was established in 2007 to support ACC's contribution to combat HIV/AIDs is now the major driver of ACC's CSR initiatives at plant locations across India.

The unprecedented rains and floods which ravaged many parts of Kerala in August 2018 resulted in massive loss of lives and destruction of Livelihood, property and infrastructure. Your Company immediately stepped in with resources, manpower and logistics support to provide on-ground relief and rehabilitation to assist people and local authorities in the flood impacted areas. Along with contributions by the ACC Trust, ACC employees also donated one day's salary in this humanitarian effort. 18 ACC Information Kiosks were set up and 11 ACC Help vans were continuously deployed to help the victims.

The Company also extended support and provided relief in Gaja (Cyclone) affected areas of Tamil Nadu.

The Company's CSR Projects have been duly audited by a third party Social Audit team comprising of renowned experts from development sector, led by the Head of DOC Research Institute, Berlin. ACC remains the torch bearer for the Industry by undertaking Social Audit for the past four years and making the assessment report public.

The Company has been awarded accolades for its impactful CSR activities during the year.

The Company's CSR Policy as stated earlier is in alignment with the requirements of the Act. The CSR Policy Statement and Report on the activities undertaken during the year is annexed to the Board's Report as Annexure 'B'.

19. HEALTH & SAFETY (H&S)

The focus on health and safety (H&S) of employees and stakeholders continues. During the year, employees and workers were engaged in a meaningful interaction with the ultimate aim to build a culture at workplace where safety of life and property is considered as paramount. New safety standards were rolled out across the Organization. There was increased engagement of the Management with the employees and contract workers through safety campaigns, Department-wise "safety corner" meets. etc.

Recognizing that building H&S competencies within the Organization is the key to safe work environment, Hazard Identification & Risk Assessment (HIRA) workshops were conducted for the employees with a view to equip them to recognize the hazards and risks associated with a given task and take preemptive action(s).

The initiatives, "More Boots on the Ground" and "Visible Personal Commitment" were pursued vigorously during the year. These initiatives reinforce the visible personal commitment of senior management towards promoting safety culture at workplace through role modeling, handholding, counseling and imparting shopfloor training to workers in safe work practices.

Under the Health & Safety Improvement Plan (HSIP) 2018, onus was placed on the Top Management to engage with employees and workers to bring about improvements in areas such as H&S leadership & accountability, road safety, health, contractor safety management, strengthening frontline safety behavior, building people capability & engagement etc. All these initiatives resulted in an overall improvement in safety performance in 2018.

During the year, all cement and RMX plants were audited for Health and Safety Management system to provide assurance on the implementation and effectiveness of these systems and processes as per LafargeHolcim Group's defined protocol. For further strengthening the audit process, an online audit website has been developed and launched.

Process Safety Management (PSM) program was launched by the group in February 2018. Pursuant thereto, PSM champions were identified from Techport and Plants for auditing the following important areas in the manufacturing process viz. Traditional Fuel, Hot Meal, Electrical Safety and Quarry & Slopes. PSM audit has been completed for all sites and action plan implementation is in progress. Audits for diesel tank safety were carried out across the Company in April, to control liquid fuel associated hazards.

The Company has been receiving valuable inputs and support on H&S related matters from LafargeHolcim, the ultimate holding company. Global H&S Safety Days were celebrated from 14th – 25th May'18 on the theme "I improve health and safety every day in my workplace". As part of the safety celebrations, several events and activities were organized across all Plants covering management staff, SFA and contractors with focus on building people capabilities in the area of safety.

The practice of sharing key learning from all onsite LTIs and critical incidents across all Plants to avoid repeat of similar incidence at other locations, has been introduced as per group requirements. It is proposed to widen the knowledge sharing base across all LH Group Plants.

The Suraksha Laher campaign in 2018, was designed to focus on 'Safe Work Planning'. As part of this campaign awareness training was provided on topics like job risk assessment, work permits, preparation of work method statement, review of SOP etc.

Health

During the year, Industrial Hygiene survey was conducted at Jamul, Bargarh and Tikaria as per Group template. Further, a Lifestyle Management Program was also launched during the year. Employees having moderate to severe health risks are being regularly monitored and provided health assistance, and significant reduction in health risk was observed. "Click2Health" an online health management system has been launched on the Company's intranet portal for managing health care and for OPD treatment. Protect your ear, a hearing conservation program was launched across the Company.

A workshop was organized for promoting Health and Safety in schools and teachers from all ACC aided schools participated in the workshop. This is a unique initiative to make a positive impact with respect to health and safety behavior in children in the hope that this in turn would get reflected in the health and safety behavior of the employees.

Logistics Safety

The focus on road safety continues. In order to demonstrate logistic safety commitment, the "ACC Road Safety Policy" was rolled out and widely circulated at the Plants and drivers were educated in regard to the same.

The Driver Management Centers set up by the Company at all Plant locations provided valuable support for driver training and counseling. Multiple activities from Defensive Driver Induction (DDI) for first trip driver to Defensive Driving Course (DDC), in-cab assessment, tool box talks, JRM briefing were carried out through these Driver Management Centers.

During the year, Transport Analytics Center (TAC) was set up as a nodal point for monitoring the driving patterns of the drivers through 'In Vehicle Monitoring System' (iVMS) and provide counselling to the drivers on safe methods of driving. The installation of iVMS in the trucks was also accelerated in order to bring more vehicles within the ambit of TAC monitoring and counseling.

In-Camera counseling for drivers was launched across all plants. In respect of vehicles yet to be installed with iVMS, camera installed in the driver's cabin serves to record the journey behavior of the drivers which is later used for driver counselling. Blind spots being a major area of safety concern were identified during the year and safety measures were taken to eliminate the chances of an accident. In addition, a video recording on negotiating blind spot safely was shown to the drivers, employees and their family members.

"Anti toppling devices" were fitted in Transit Mixers to prevent accidents caused by roll-over of mixers.

"Star Warehouse Program" which was launched last year to improve safety standards in warehouse operations continued during the year.

20. HUMAN RESOURCES

Your Company believes that its employees are its core strength and accordingly development of people and providing a 'best-in-class' work environment is a key priority for the Organisation to drive business objectives and goals. Robust HR policies are in place which enables building a stronger performance culture and at the same time developing current and future leaders.

20.1 People for tomorrow

Among the many employee development and training programmes, the 'People for Tomorrow' (PFT) programme is designed to ensure a pipeline of talent which is groomed for succession planning for critical roles within the Organization. The Programme which is specifically designed for manufacturing teams, facilitates an understanding of the business by employee, while at the same time helps the management in assessing and bridging competency gaps for critical role holders thereby ensuring a higher level of employee performance. This in turn translates into better business performance

20.2 Creating a new performance culture

Performance for the Company is the sum total of value creation within the Organization. The leadership focus is such that performance is measured on a continuous basis and performance culture is driven to make every month a successful month. The significant overall improvement in the performance of the Company during the last-two years is a testimony to the leadership and management focus on this performance driven culture which has resulted in highly engaged and motivated teams.

20.3 Taking employee engagement to next level

ACC has a rich legacy of nurturing and promoting talent from within the Organization thereby creating a healthy and vibrant work culture across the Company.

"Innovate to Excel" is one such engagement forum which engages employees at a national level competition across all locations to showcase their innovative ideas and skills. This platform challenges employees to question status-quo at the work place and to take a leap of faith towards our journey of innovation.

Several cultural and social programmes are organised within the Company to recognise and promote talent which goes a long way in fostering camaraderie among employees and promotes a sense of belonging in the Organization.

20.4 Industrial Relations

The Company enjoyed harmonious industrial relations during the year. The robust employee relation practices, a collaborative approach to working and vibrant work culture has created a win-win situation for both employees and the Organization. This caring spirit has gone a long way in maintaining a harmonious environment across all Units.

20.5 Prevention of Sexual Harassment of Women at the Workplace

The Company is an equal opportunity provider and continuously strives to build a work culture which promotes the respect and dignity of all employees across the Organization. In order to provide women employees a safe working environment at workplace and also in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated a well defined policy on prevention, prohibition and redressal of complaints relating to sexual harassment of women at the workplace. All women who are associated with the Company–either as permanent employees or temporary employees or contractual persons including service providers at Company sites are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees.

An Internal Complaint Committee (ICC) has been set up comprising of three female and one male employee. One of the female employees is the Chairperson and a male employee is the Secretary of the Committee. There is one external member on the Committee who is a specialist in dealing with such matters. Apart from the above, there is one nodal person in each unit to receive and forward complaints either to the First Instance Person (FIP) who is a woman or directly to the Committee.

The Committee Members and employees are sensitized from time to time on matters relating to prevention of sexual harassment. Awareness programmes are conducted at unit levels to sensitize the employees to uphold the dignity of their female colleagues at workplace. The Company also promotes e-learning for the employees to cover various aspects of the subject matter.

No complaints pertaining to sexual harassment of women employees from any of the Company's locations were received during the year ended December 31, 2018.

21. INNOVATION

The Company continues with its endeavour to be an innovative and a responsive Organization aligned with its objective to cater to customer needs and optimizing existing and future growth. The thrust on experimenting with new ideas and creating new prototypes is the backbone of the innovation journey and has lead to the development of several breakthroughs in cement and concrete applications over the years. More recently the Company has made forays into the leak-proof market and widened its portfolio of value-added varieties of cement and concrete for special and customized applications. To better its best, the Company has developed with its unique blend of ingredients and cutting edge technology, premium range of products. The spirit of innovativeness has reaped significant benefits and has helped the Company achieve cost efficiencies in the areas of energy, raw materials sourcing, logistics, customer excellence and manpower optimization leading to productivity improvement. LafargeHolcim has been extremely supportive in the aforesaid areas by lending their expertise.

22. BUSINESS RISKS & OPPORTUNITIES

The Company has a robust governance structure with well defined roles and responsibilities for each vertical. This helps in identifing and managing business risk in a proactive manner and at the same time empowes the management to encash business opportunities.

The governance structure *inter alia* includes a comprehensive framework for strategic planning, implementation and performance monitoring of the business plan which *inter alia* includes a well-structured Business Risk Management (BRM) process. With a view to systematically identify risks and opportunities and monitor their movement, a heat map has been designed comprising of two parameters viz. likelihood of the event and the impact it is expected to have on the Company's operations and performance.

The risks that fall under high likelihood and high impact are identified as key risks. This structured process in identifying risks supports the Executive Committee in strategic decision-making and development of detailed mitigation plans. The identified risks are then integrated into the Company's Planning Cycle which is a rolling process to *inter alia* periodically review the movement of the risks on the heat map and the effectiveness of the mitigation plan.

The Key business risks and their mitigation plans are as described hereinbelow:

Raw Material Risk

Fuel: During the year, the Company was adversely impacted by steep rise in energy cost. Cement manufacturing is an energy intensive process and there is high dependence on Coal and pet coke, which form the principal fuels in production of thermal energy.

Limited availability of domestic coal due to prioritization on allotment of coal to the power sector and resultant reduction in rake availability by the Railways to the non-power sector impacted the availability of coal, thereby hardening the fuel prices. There was also significant increase in Petcoke prices during the year.

More than 5 million tonnes of coal and pet coke are required each year by the Company to meet the requirements of its kilns and captive power plants. The volatility of fuel prices in the international markets coupled with uncertainty over availability of domestic and linkage coal continue to pose challenges in regard to coal availability and pricing to the cement industry as well as the Company.

Against this backdrop, the Company has taken various initiatives and proactive measures which have translated into improved manufacturing performance, and have helped in softening the aforesaid cost pressures. Improved fuel mix at selected plants, progressive increase in the usage of Alternative fuels, firming up contracts for part of the volume and balance on the spot to capitalize on opportunities, spreading out purchases throughout the year, are some of the measures adopted by the Company to balance out the impact of the inflationary costs.

Raw Materials: Limestone being one of the primary raw materials used in the manufacture of cement, it is imperative for the Company to ensure its uninterrupted long-term availability.

As per the Mines and Minerals (Development & Regulation) Amendment Act 2015 (MMDR),mining leases granted before the commencement of the Act, for captive use are extended upto a period ending on March 31, 2030, or till the completion of their existing period of renewal, whichever is later. Going forward the new mining leases will be allotted for a period of fifty years through fresh auctions.

Most of the Company's mining leases extend up to March 31, 2030 thereby ensuring adequate limestone reserves to cater to the requirements of its plants till the said date, whereafter the Company will have to participate in auctions.

To address the above risks, the Company has taken various measures to augment resources by initiating the process for conversion of its prospecting licenses into mining leases. The Company is also participating in auctions with a view to securing new mining leases for its existing plants as well as for its expansions at different locations. Bearing in mind that limestone is a gradually depleting natural resource, and to ensure prudent usage of the mineral in the manufacture of cement, higher percentage of additives are used which enable consumption of the low grade limestone, without compromising on the quality and thereby conserving the mineral and increasing the life of the mine.

Forest and Wild Life clearances are a pre-requisite for mining activities. Further, land acquisition is also becoming more challenging and expensive. The Management is taking adequate steps to put in place robust processes for obtaining fresh Environmental Clearances, wherever necessary.

As mentioned earlier, slag prices hardened during the year on account of spurt in demand coupled with shortage caused by wagon non-availability. In order to minimize the impact of the inflating slag prices, the Company has diverted its focus to composite cement.

Market Competition: The cement industry is witnessing a significant imbalance in its total installed capacity vis-a-vis the capacity utilization which presently is ~75%. Despite the capacity overhang, capacity expansion still continues, resulting in intense competition and adverse impact on the Company's market share, sales volume and profitability.

Efforts are also being made by the Company to widen the product portfolio by increasing the share of its premium products in retail segment, application based products and value added products and services to B2B segment.

Cyber Security: With increased reliance on IT systems and the widespread usage of internet for doing business there is a constant threat to the Company's sensitive data assets being exposed to unethical hacking and misuse. The ramifications from cyber attacks may not only been confined to mere loss of data but may result in business and reputation loss.

The Company's IT systems are fully geared to meet the threat of "DDOS" attacks which are highly probable. The Indian Government having recognized the cyber risks, has also introduced tighter Cyber Security laws. Responsibilities have been entrusted to the Directors of the Company under the Companies Act, 2013 to take appropriate steps to ensure cyber security.

ACC's Business Landscape presents a large surface for a possible attack in view of its vast and disparate network spread across many remote locations, with complex IT and OT environment. There is however a strong firewall and well established Disaster Recovery System within the LafargeHolcim Group. Most of the hardware and software have been mapped. The Company's cyber security management framework aligns with industry standards and regulations. LafargeHolcim has launched a robust programme on cyber security called "Zenith'. This programme is aimed to facilitate LH Group Companies stay abreast and vigilant against possible cyber attacks and remain a step ahead by taking immediate remedial action.

The Company has adequate processes and systems in place to review on a regular basis the cyber security risks. The Risk Management Committee of the Board is appraised of steps taken to mitigate cyber security risks.

Legal Risks: The risks arising out of pending legal cases are reviewed on a regular basis by the Compliance Committee of the Board from the perspective of probability of imposition of heavy penalty or receiving adverse orders which could have a high financial and/or reputational impact on the Company. All important cases are closely monitored by the Company and a broad strategy is outlined for effective management of litigation related risks. The appointment of external legal counsels has also been rationalized based on the risk associated with the matter, and keeping in mind the cost of litigation. The Company is in the process of developing a well defined system which not only tracks the status of all pending litigations but also provides updates on latest jurisprudence in matters similar to those of the Company.

With a view to minimize the risks arising from inadvertent non-compliances with Competition laws continuous and rigorous Fair Competition training sessions are conducted and e-learning modules are rolled out across the Company for relevant employees particularly those in sales and purchase functions. The processes of the Company are subject to both internal and external audits to identify any gaps which could lead to potential violation of competition law. The Commercial documentation/ directive is also reviewed from time to time and strengthened as and when required.

23. INTERNAL CONTROL SYSTEMS

23.1 Internal Audit and its adequacy

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. With a view to maintain independence and objectivity in its working, the Internal Audit function reports directly to the Audit Committee.

At the beginning of each Financial Year, a risk based annual audit plan is rolled out after the same is approved by the Audit Committee. The Audit Plan is aimed at evaluation of the efficacy and adequacy of internal control system and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

23.2 Internal Controls Over Financial Reporting (ICFR)

The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has robust policies and procedures which, *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has over the years established a reputation for doing business with integrity and displays zero tolerance for any form of unethical behavior."EthicalView Reporting Policy" (EVRP) is the vigil mechanism instituted by the Company to report concerns about unethical behavior in compliance with the requirements of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations). The Audit Committee of the Board oversees the functioning of this policy. Protected disclosures can be made by a whistle blower through several channels to report actual or suspected frauds and violation of Company's Code of Conduct and/or Ethics Policy. Details of the EthicalView Reporting Policy have been disclosed on its Company's website -http://www.acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf

During the year, the Company reached out to employees through e-learning modules and face-to-face training sessions for creating greater awareness with respect to the Company's' Anti Bribery and Corruption Directive (ABCD) This has helped in achieving a high level of engagement and compliance among the employees.

25. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

25.1 SUBSIDIARIES

Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, the revenue from operations of BCCI increased to ₹ 18.76 crore in 2018 compared to ₹17.27 crore in 2017. The Profit before tax before considering exceptional items for the year 2018 was ₹ 3.39 crore as against ₹ 2.88 crore in the year 2017.

ACC Mineral Resources Limited (AMRL)

ACC had entered into a Joint Venture with Madhya Pradesh State Mining Corporation Limited (MPSMC) for development of four coal blocks allotted to MPSMC by the Government of

India through its wholly owned subsidiary ACC Mineral Resources Limited. Consequent upon the cancellation of the allocation of all coal blocks including the four coal blocks allotted to MPSMC by the Government of India as per the Orders of the Supreme Court passed in September 2014, AMRL does not have any business activity and correspondingly did not have any operating income during the period under review.

OTHER SUBSIDIARIES

The Company has three other Subsidiary Companies having limestone deposits, viz. Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited. Singhania Minerals Private Limited is operational, while the other two companies are not operational.

25.2. MATERIAL SUBSIDIARIES

None of the subsidiaries mentioned in para 25.1 above is a material subsidiary as per the thresholds laid down under the SEBI Listing Regulations.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the SEBI Listing Regulations. The Policy is also being revised effective from April,1, 2019 in line with the amendments made to the SEBI Listing Regulations. The Policy has been uploaded on the Company's website at:

http://www.acclimited.com/assets/new/pdf/CG/Determiningmaterialsubsidiaries.pdf

25.3 JOINT VENTURE /ASSOCIATE COMPANIES

OneIndia BSC Private Limited is a Joint Venture Company with equal participation with Ambuja Cements Limited to provide back office services to the two Companies with respect to routine transactional processes.

Your Company also has a Joint Venture with Aakaash Manufacturing Company Private Limited, for manufacture and supply of ready mix concrete. As on December 31, 2018, the following is the list of Associate Companies:

- Alcon Cement Company Private Limited
- Asian Concretes and Cements Private Limited

26. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the year 2018 are prepared in compliance with the applicable provisions of the Act including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated financial statements together with the Auditors' Report thereon form part of the Annual Report.

Pursuant to Section 129(3) of the Act, a Statement containing salient features of the financial statements of each of the Subsidiaries, Associates and Joint Venture Companies in the prescribed Form AOC-1 is attached.

The Financial Statements of the subsidiaries, associates and joint venture companies are available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the financial statements of its subsidiary companies to the Members upon their request. The statements are also available on the website of the Company at www.acclimited.com under the 'Investors' section.

27. DIRECTORS & KEY MANAGERIAL PERSONNEL

27.1 Changes in Directorate

The Independent Directors of the Company have been appointed by the shareholders at the Extra Ordinary General Meeting held on September 10, 2014 for a term of five years from their respective dates of appointment as per the requirements of the Act and the SEBI Listing Regulations. The appointments of Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta, Mr Ashwin Dani and Mr Farrokh Kavarana were effective from July, 24, 2014 while those of Mr Arunkumar Gandhi and Ms Falguni Nayar were effective from April, 24, 2014.

Pursuant to the Company's Succession policy applicable to the directors which provides that a person shall not be eligible for appointment as a director of the Company upon attaining the age of seventy five years. Mr Ashwin Dani, Mr Farrokh

Kavarana and Mr Arunkumar Gandhi have attained or will attain the age of seventy five years during their current tenure of appointment and have expressed their inability to seek re-appointment from the conclusion of the forthcoming Annual General Meeting.

The Board of Directors has placed on record its sincere appreciation for the rich contribution made by Mr Ashwin Dani, Mr Farrokh Kavarana and Mr Arunkumar Gandhi during their tenure of association as Independent Directors.

Considering the above, it is proposed to appoint Mr Damodarannair Sundaram, Mr Sunil Mehta and Mr Vinayak Chatterjee as Independent Directors with effect from the conclusion of the forthcoming Annual General Meeting for a period of five consecutive years subject to their appointment being approved by the Members. All the above named persons have given their consent for the appointment and have confirmed that they are not in any way disqualified from being appointed as directors. They have also given their confirmation with regard to their independent status vis-à-vis the Company.

The persons identified for appointment are persons of pre-eminence and the Board feels that it would be enriched further by their induction as Independent Directors. Detailed profiles of the above named persons setting out their accomplishments are appended to the Explanatory Statement accompanying the Notice for the Annual General Meeting. The Company has received notices from a Member under Section 160 of the Act proposing their candidature for appointment as Directors and the Nomination and Remuneration Committee as also the Board of Directors have recommended their appointment.

Approval of the Members by ordinary resolutions for appointing the aforesaid persons as Independent Directors for a term of five consecutive years has been sought in the Notice convening the Annual General Meeting of the Company. (Please refer to Item Nos. 8, 9 and 10 of the Notice).

Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta and Ms Falguni Nayar upon completion of their first term of appointment as Independent Directors during the current year are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by special resolution. The said Directors have given their consent for re-appointment and have confirmed that they still retain their status as Independent Directors and that they do not suffer from any disqualifications for appointment. The proposal for their re-appointment is based on the evaluation of their performance carried out by the Board other than the persons evaluated.

The Company has received notices under Section 160 of the Act, from a Member proposing the re-appointment of Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta and Ms Falguni Nayar as Independent Directors of the Company. Approval of the Members by special resolutions for appointing the aforesaid persons as Independent Directors for a further term of five consecutive years has been sought in the Notice convening the Annual General Meeting of the Company. (Please refer to Item Nos. 5, 6 and 7 of the Notice).

27.2 Directors liable to retirement by rotation

The Independent Directors hold office for a fixed period of five years from the date of their appointment and are not liable to retire by rotation. Out of the remaining 5 Non-Executive/ Non-Independent Directors, in accordance with the provisions of the Act and the Articles of Association of the Company, Mr N. S Sekhsaria and Mr Christof Hassig being longest in office retire by rotation and being eligible, offer their candidature for re-appointment as Directors.

27.3 Board Effectiveness

a. Familiarization Program for the Independent Directors

The Company has over the years developed a robust familiarization process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act and other related Regulations. This process inter-alia includes providing an overview of the Cement Industry, the Company's business model, the risks and opportunities etc.

Details of the Familiarization Programme are explained in the Corporate Governance Report and are also available on the Company's website at http://www.acclimited.com/assets/new/pdf/CG/Familiarization-Programme-for-Independent-Directors.pdf

b. **Board Evaluation**

The Board has carried out its annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Risk Management and Compliance Committees as mandated under the Act and SEBI Listing Regulations. The criteria applied in the evaluation process are explained in the Corporate Governance Report.

27.4 Key Managerial Personnel

The following are the Key Managerial Personnel of the Company in terms of the provisions of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on December 31, 2018:

- Mr Neeraj Akhoury, Managing Director & Chief Executive Officer
- Mr Sunil Nayak, Chief Financial Officer
- Mr Ramaswami Kalidas, Company Secretary & Head Compliance

27.6 Remuneration Policy and Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior leadership positions

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and Members of the Executive Committee (ExCo) as well as a well-defined criteria for the selection of candidates for appointment to the said positions which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the executive and non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel and ExCo. The criteria for selection of candidates for the above positions cover the various factors and attributes which are considered by the Nomination & Remuneration Committee and the Board of Directors while making a selection of the candidates. The above policy alongwith the criteria for selection is available at the website of the Company at http://www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

28. MEETINGS

28.1 Board Meetings

During the year six Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

28.2 Audit Committee

The Audit Committee comprises five members. The Chairman of the Committee is an Independent Director. The Committee met six times during the year. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Corporate Governance Report.

28.3 CSR Committee

The CSR Committee comprises of four members of which three are Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met thrice during the reporting period. Details of the role and functioning of the Committee are given in the Corporate Governance Report.

29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has developed a Related Party Transactions Manual and Standard Operating Procedures for the purpose of identification and monitoring Related Party transactions.

All transactions with Related Parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. The transactions entered into pursuant to the approvals so granted are subjected to audit and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a certificate from the CEO & MD and the CFO.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's website and can be seen at the link http://www.acclimited.com/assets/new/pdf/CG/PolicyonRPT.pdf All transactions entered into with related parties during the year were on arm's length basis and were in the ordinary course of business. The details of the material related party transactions entered into during the year as per the policy on Related Party Transactions approved by the Board have been reported in Form AOC 2 annexed to the Directors' Report as Annexure 'C'.

None of the Directors and the Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

30. TRANSFER OF EQUITY SHARES UNPAID/UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND

In line with the statutory requirements, the Company has transferred to the credit of the Investor Education and Protection Fund set up by the Government of India, equity shares in respect of which dividend had remained unpaid/ unclaimed for a period of seven consecutive years within the time lines laid down by the MCA. Unpaid/unclaimed dividend for seven years of more has also been transferred to the IEPF pursuant to the requirements under the Act.

31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Complaint filed under the Competition Act by the Builders Association of India against cement manufacturers - Appeal before the Supreme Court of India

As reported in detail in reports of earlier years, a penalty of ₹ 1,147.59 crore was levied on the Company by the Competition Commission of India based on a complaint filed by the Builders' Association of India for alleged violation of the provisions of the Competition Act.

The National Company Law Appellate Tribunal (NCLAT) vide its judgment dated 25th July 2018, has dismissed the appeal of the Company upholding the levy of penalty of ₹1147.59 crore as imposed by the Competition Commission of India vide its Order dated 31st August 2016. The NCLAT initially vide its Order dated 7th November 2016 had stayed the operation of the CCI's Order subject to deposit of 10% of the penalty amount.

The Company has preferred an appeal before the Hon'ble Supreme Court against the above Order of NCLAT. The Hon'ble Supreme Court vide its Order dated 5th October 2018, has admitted the Company's civil appeal and ordered for continuance of the interim orders passed by NCLAT towards stay on the demand subject to deposit of 10% of the penalty amount. The matter is still subjudice.

As at December 31, 2018, the penalty amount of ₹ 1147.59 crore and interest thereon has been disclosed as a contingent liability in the Notes to Financial Statements.(Refer Note –40(A)(a)).

CCI's Order on Complaint filed by Director, Supplies & Disposals, State of Haryana in 2013

The Director, Supplies & Disposals, State of Haryana had filed a complaint before CCI alleging collusion and bid rigging by cement manufacturers in violation of Section 3(1) and 3(3)(d) of the Competition Act. In January 2017, the Competition Commission of India (CCI) passed an Order against seven cement manufacturers including the Company imposing a penalty calculated at the rate of 0.3% of the average turnover of the last three years viz. 2012-13 to 2014-15. In respect of the Company, the amount of penalty works out to ₹ 35.32 crore.

An Appeal is pending before NCLAT in the said matter against the Orders of the Competition Commission of India.

As at December 31, 2018, the penalty amount of ₹ 35.32 crore is disclosed as a contingent liability in the Notes to Financial Statements.(Refer Note 40(A)(b)).

Reference is drawn to the 'Emphasis of Matter' by the Auditors in their reports on the above matters.

32. AUDITORS

32.1 Statutory Auditor

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 117366W/W-100018) were appointed as Statutory Auditor of the Company at the 81st Annual General Meeting held on

March 29, 2017 to hold office from the conclusion of the said Meeting till the conclusion of the 86th Annual General Meeting to be held in 2022 subject to ratification of their appointment by the Members at every intervening Annual General Meeting held thereafter. The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment)Act, 2017 with effect from May 07, 2018.Hence the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

32.2 Cost Auditor

M/s D C Dave & Co., Cost Accountants (Firm Registration No 30611), have been appointed as Cost Auditor of the Company for the year 2018 under Section 148 of the Act read with The Companies (Cost Records and Audit) Amendment Rules 2014.

M/s D C Dave & Co have confirmed that they are free from any disqualifications as specified under the Act. They have further confirmed their independent status.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, Resolution seeking Members' ratification for the remuneration payable to M/s D C Dave & Co, Cost Auditor is included at item No.11 of the Notice convening the Annual General Meeting.

32.3 Secretarial Auditor

M/s. Pramod S Shah & Associates, a firm of Company Secretaries in Practice, have been appointed to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI Listing Regulations as amended. The Report of the Secretarial Auditor is annexed to the Board's Report as Annexure 'D'.

33. AWARDS

During the year under review, your Company received numerous awards and accolades which were conferred by reputable organizations and distinguished bodies for achievements in diverse fields such as Health & Safety, Manufacturing and Environment Management, Corporate Governance, etc.

Corporate Excellence

- CII-ITC Sustainability Awards 2018 - Received the highest recognition for 'Outstanding Accomplishment', under Corporate Excellence category.

Business and Financial Reporting Excellence

- Institute of Chartered Accountants of India (ICAI) - Awarded a plaque 'Commended Annual Report in Category VII – Manufacturing and Trading Sector *(Turnover equal to ₹ 3000 crore or more)*' for Excellence in Financial Reporting.

Corporate Social Responsibility

- The Government of Odisha awarded ACC the 'Most Innovative CSR Project' for VidyaUtkarsh, at the Make in Odisha Conclave 2018 in Bhubaneswar, in recognition towards creating a social, environmental and economic value for its host Communities in Odisha.
- Indywood CSR Excellence Award 2018 in the category of Best CSR practices in Promoting Biodiversity.
- Lakheri plant was awarded the CSR Health Impact Award - Bronze, for the Women and Child Health Initiative category.
- 'Golden Peacock Award for Corporate Social Responsibility' at the 12th International Conference on Corporate Social Responsibility (CSR) held in Bengaluru.

Environment & Sustainability

- 5 Star rating by the Ministry of Mines for Sustainable Development to Govari Limestone Mines in Chanda, Mehgaon and Bamangawan Mines in Kymore and Jamul Limestone Mines.
- Gagal Plant won 'Sustainability 4.0 2018 award' instituted by Frost & Sullivan and The Energy and Resources Institute (TERI) for continious improvement in the field of Sustainable Development in the category 'Leaders Award-Large Business Process Sector'. Sustainability 4.0 awards

is designed to honour the efforts made by the companies who actively integrate sustainability principles into their business culture.

- The Company was awarded the GreenPro certification for ACC Suraksha Power, ACC Concrete+ Xtra Strong, ACC HPC Long Life, ACC Gold Water Shield and ACC F2R Superfast products by the Confederation of Indian Industries (CII) at the 14th Green Cementech conference.
- Thondebhavi Plant was recognised as an Energy Efficient Unit by the Confederation of Indian Industry (CII) at the 19th National Award function for Excellence in Energy Management 2018.
- Kymore, Jamul and Wadi Plants were recognised as 'Excellent Energy Efficient Unit' by the Confederation of India Industry (CII) at the 19th National Award function for Excellence in Energy Management 2018.
- Jamul Plant was awarded 1st Runner-Up in Large Scale Category at the Confederation of Indian Industry (CII) Energy Conservation (encon) Awards function 2018.
- Thondebhavi Plant won the 1st Prize in Energy Excellence in Grinding Unit category at the Quality Circle Forum of India (QCFI), Hyderabad Chapter awards, in collaboration with Cement Manufacturers Association (CMA), National Council for Cement and Building Materials (NCCBM) and Cement Sustainability Initiative.
- Jamul Plant won the 1st Prize in Energy Excellence in Integrated Unit category at the Quality Circle Forum of India (QCFI), Hyderabad Chapter awards, in collaboration with Cement Manufacturers Association (CMA), National Council for Cement and Building Materials (NCCBM) and Cement Sustainability Initiative.
- Wadi Plant won the 1st Prize in Alternate Fuels and Raw Materials Excellence and 2nd Prize in Environment Excellence at the Quality Circle Forum of India (QCFI), Hyderabad Chapter awards, in collaboration with Cement Manufacturers Association (CMA), National Council for Cement and Building Materials (NCCBM) and Cement Sustainability Initiative.
- ACC was conferred with the prestigious 'Yes Bank Natural Capital Award 2018' in the 'Eco-Corporate category under Manufacturing Sector' for its sustainability initiatives.

Manufacturing

- At the Mines Environment and Mineral Conservation Week (MEMCW) celebrated in Dehradun, Gagal Plant won the 1st Prize in Overall Performance, Mineral Conservation, Scientific Development of Mines, Sustainable Development and Afforestation and the 2nd prize in Air and Water Monitoring.

Communication

- Awarded Silver Prize in the Environmental Communications category for Sustainable Development Report 2017 at the 58th ABCI Annual Awards.
- Awarded Bronze Prize in the Social Responsibility Communications category for Muskaan – an animated film on female infanticide at the 58th ABCI Annual Awards.
- Awarded Bronze Prize in the External Magazines category for the Indian Concrete Journal at the 58th ABCI Annual Awards.

Corporate Governance

- ACC won the Golden Peacock Award for Excellence in Corporate Governance for the year 2018 at the 18th Annual London Global Convention on Corporate Governance & Sustainability and Global Business Meet in London.
- Awarded a Certificate of Recognition for Excellence in Corporate Governance by the Institute of Company Secretaries of India (ICSI).

Corporate

- Awarded the title of the 'Third Fastest Growing Company – Large Category 2017-18' (Cement Category) at the Third Indian Cement Review Awards, held at the 10th Cement Expo.

Health &Safety

- Chaibasa Plant won the award for 'OSH Innovation Award–Employee Awareness–Reactive' for the implementation of In-Cab assessment for drivers and counselling on critical driving behaviours during an assessment on harsh acceleration, harsh brakes, over speeding and harsh manoeuvres.
- Lakheri Plant won the award for 'OSH Innovation Award–Employee Awareness–Proactive' for the implementation of Proactive analysis of GPS data and counselling through Driver Management Centres, which resulted in a lower incidence of road accidents and an increase in the percentage of safe kilometres at the Occupational Safety and Health (OSH) India Awards 2018.
- ACC was adjudged winner of 'Innovation in OSH–Safety implementation–Proactive' for its implementation of In-Cab camera in truck - a tool used to identify behavioural aspects of truck drivers of truck drivers in response to highly dynamic traffic conditions at the Occupational Safety and Health (OSH) India Awards 2018.
- Thondebhavi Plant received the prestigious Greentech Safety Award 2018 in the 'Gold Category,' in the Cement sector for 'Outstanding Achievements in Safety Management,' at the 17th Annual Greentech Safety Award.
- Jamul Plant won the 'Rio Tinto Health & Safety Award – for Opencast Mines' (2017-2018) for their exemplary performance in implementation of safety management systems and safe work culture.

34. ENHANCING SHAREHOLDERS VALUE

Our commitment is to create and return value to shareholders. Accordingly, your Company is committed to achieving high levels of operating performance, cost competitiveness, enhancing the productive asset and resource base and striving for excellence in all areas of operations. Your Company firmly believes that its success in the market place and good reputation are among the primary determinants of value to the shareholder. Our close relationship with customers and an understanding of their challenges drive the development of new products and services. With our expertise and know-how, we aim to offer our customers solutions that enhance their projects and build trust in our partnerships. Beyond these solutions, our market growth activities are focused on creating new channels to serve our customers more effectively. Innovation is present not only in our products and services, but also in the way we execute growth opportunities. Anticipating customer needs early and being able to address them effectively requires a strong commercial backbone. At ACC, we are developing this strength by institutionalizing sound commercial processes and building world-class commercial capabilities across our marketing and sales.

Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of the Triple Bottom Line.

35. CORPORATE GOVERNANCE

The Annual Report contains a separate section on the Company's corporate governance practices, together with a certificate from the Company's Auditors confirming compliance, as per SEBI Listing Regulations.

36. BUSINESS RESPONSIBILITY REPORTING

A separate section on Business Responsibility forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI Listing Regulations.

37. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in Section 134(3)(m) of the Act read with Rule, 8 of The Companies (Accounts) Rules, 2014 is provided in Annexure 'E' to the Directors' Report.

38. PARTICULARS OF EMPLOYEES

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as Annexure 'F' to the Board's Report.

The information in respect of employees of the Company required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company 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 in this regard.

39. ANNUAL RETURN

The Annual Return of the Company has been placed on the website of the Company and can be accessed at http://www.acclimited.com/newsite/annualreport2018/Form_MGT_7.pdf

40. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application.

41. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

a) that in the preparation of the annual financial statements for the year ended December 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Note 2 of the Notes to the Accounts have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2018, and of the profit of the Company for the year ended on that date;

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

d) that the annual accounts have been prepared on a going concern basis;

e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and

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

42. INTEGRATED REPORTING

The Company being one of the top 500 companies in the Country in terms of market capitalization, as part of its voluntary initiatives, has drawn up its first Integrated Report which encompasses both financial and non-financial information to enable the Members to take well-informed decisions and have a better understanding of the Company's long term perspective. The Report also touches upon aspects such as Organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and nature capital. The Integrated Report for the year 2018 has also been hosted on the Company's website www.acclimited.com.

The Annual Report also carries a detailed section containing the "Business Responsibility Report". Since 2007, the Company has been publishing an annual Corporate Sustainable Development Report conforming to the guidelines of the Global Reporting Initiative. From the year 2014, these reports are based on the GRI G4 guidelines in accordance with the "Comprehensive" option and have been externally assured.

43. ACKNOWLEDGEMENTS

The Directors acknowledge the support received by the Company from the Central and State Government Ministries and Departments, shareholders, customers, business associates, bankers, employees, trade unions and all other stakeholders.

44. CAUTIONARY STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of the Board of Directors

N S Sekhsaria
Chairman

Mumbai
February 05, 2019

ANNEXURE 'A' TO BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

This Policy is called "ACC Limited – Dividend Distribution Policy" (hereinafter referred to as "the Policy"). The Policy is framed pursuant to Regulation 43A of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy has come into effect from December 17, 2016 as per approval granted by the Board.

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

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value of ₹ 10 each. The Company currently has no other class of shares. Dividend other than interim dividend shall be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board of Directors has the authority to declare interim dividend.

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

INTERNAL FACTORS

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

EXTERNAL FACTORS

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

The Company may recommend additional special dividend in special circumstances.

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

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

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

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

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

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

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

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

ANNEXURE 'B' TO BOARD'S REPORT

CSR POLICY STATEMENT

Our vision is to be one of the most respected companies in India, delivering superior and sustainable value to all our customers, business partners, shareholders, employees, and host communities.

Our CSR initiatives focus on the holistic development of our host communities while creating social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- Uphold and promote the principles of inclusive growth and equitable development.
- Devise and implement Community Development Plans based on the needs and priorities of our host communities and measure the effectiveness of such development programmes.
- Work actively in the areas of Livelihood advancement, Enhancing employability and Income Generation, Improving Quality and reach of Education, Promoting Health and Sanitation, conserving the Environment and supporting local Sports, Arts and Culture.
- Collaborate with like-minded bodies such as Governments, Civil Society Organisations and Academic Institutions in pursuit of our Goals.
- Interact regularly with stakeholders, review and publicly report our CSR initiatives.

ANNEXURE 'B' TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   Please refer to the CSR Policy statement set out at page 81 of this Annual Report.

   Web link : http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28-Nov-2016-Board-CSR-Committee-meeting.pdf

2. **The Composition of the CSR Committee:**

   Mr Shailesh Haribhakti, Chairman
   (Independent Director)

   Ms Falguni Nayar, Member
   (Independent Director)

   Mr Farrokh K Kavarana, Member
   (Independent Director)

   Mr Neeraj Akhoury, Member
   (MD&CEO)

3. **Average net profit of the Company for last three financial years.**

Years	2017	2016	2015
Net Profit (₹ in Crore)	1258.72	862.76	818.93

   Average net profit of the company for last three financial years is ₹ 980.14 Crore.

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

   ₹ 19.60 Crore

5. **Details of CSR spends for the financial year.**

   a) Total amount to be spent for the financial year ended December 31, 2018:

      ₹ 19.60 Crore

   b) Amount unspent, if any:

      Not Applicable

c) **Manner in which the amount spent during the financial year is detailed below.**

Sr. No.	CSR Project/Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads*	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
1.	ACC DISHA	Youth Employability (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga(Karnataka), Coimbatore (Tamil Nadu), Erode (Tamil Nadu) and Kerala	5	3.93	3.93	3.93

Sr. No.	CSR Project/Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads*	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
2.	ACC- LIESA	Sustainable Agriculture (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka) and Coimbatore (Tamil Nadu)	3	1.77	1.77	1.77
3.	ACC - Swavlamban	Women Empowerment (Schedule VII – (iii) Promoting gender, equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	3	2.09	2.09	2.09

Sr. No.	CSR Project/Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads*	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
4.	ACC Vidya Utkarsh	Quality Education (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Shrawasti (Uttar Pradesh), Shahazanhapur (Uttar Pradesh), Jaunpur (Uttar Pradesh), Mirzapur (Uttar Pradesh),Mewat (Haryana), Sirmaur (Himachal Pradesh), Sheopur (Madhya Pradesh), Rudraprayag (Uttarakhand), Alwar (Rajasthan), and Coimbatore (Tamil Nadu)	4	5.46	5.46	5.46
5.	ACC Vidya Saarathi	Scholarship and support (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	2	0.73	0.73	0.73

Sr. No.	CSR Project/Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads*	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
6.	ACC-Arogyam	Health (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	3	2.00	2.00	2.00
7.	ACC - Sampoorn Swachhata	Sanitation (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting, health care including preventive health care and sanitation and making available safe drinking water)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Coimbatore (Tamil Nadu)	3	2.28	2.28	2.28

Sr. No.	CSR Project/Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads*	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
8.	ACC Sanrakshit Paryavaran	Conservation of Environment (Schedule VII – (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Coimbatore (Tamil Nadu) Aurangabad (Maharashtra) and Beed (Maharashtra)	1	1.17	1.17	1.17
9.	ACC -Drona	Promoting Local, Arts and Culture (Schedule VII – (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports) (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	1	1.02	1.02	1.02
	TOTAL			**25.00**	**20.45**	**20.45**	**20.45**

* Company has spent on salary/administrative overheads in addition to ₹ 20.45 Crore.

Details of some of the implementing agencies:

1. ACC Trust, 2. Agranee Jan Kalyan Anusthan, 3.Hand in Hand, Jamul, 4. Amhi Amchya Arogyasathi, 5. Patang, Sambalpur, Odisha, 6. Head Held High, Bangalore 7. ACC MAVIM Loksanchalit Sadhan Kendra - CMRC- Ghugus, 8. Imayam Social welfare Association, 9. American India Foundation, New Delhi 10. Siruthuli, Tamil Nadu 11. Dilasa Janvikas Pratishthan, Aurangabad, 12. Forum for Rural Development (FORD), 13. Shanti Ashram, Tamil Nadu 14. HARITIKA, 15. Himachal Pradesh Voluntary Health Association(HPVHA), Shimla, 16. Ranthambhor Seva Sansthan, Jaipur 17. IIMPACT, New Delhi, 18. PHIA Foundation, Ranchi, Jharkhand 19. Jan Sevak Samiti, Bhilai, 20. Jan Mangal Sansthan 21. Loka kalyan Parishad, 22. Mahashakti Foundation, 23.Mahatma Gandhi Integrated development and Education Institute, Bandikui, Rajasthan, 24. Naad Gunjan Kala Parishad, 25. Zivanta Analytics, Kolkata 26. Development Alternative, New Delhi 27. HelpAge India, New Delhi, 28. Sarva Seva Samiti Sanstha, Bargarh 29. SATTVA Media and consulting Pvt. Ltd, Bangalore, 30. SEED CSR, New Delhi, 31.Self reliant initiatives through joint action (SRIJAN), 32. SERDS, Kadirannagari Palli, Bagepalli Tal, 33. Loka Kalyan Parishad, 34. Sanskar, 35. Association for Sarva Seva farm 36. Manav Vikas Sansthan, 37. Seetha Skill Centre, 38. UDYOGINI, 39. AHEAD Trust, 40. Sadbhawana Sewa Evam Shiksha Sansthan, Jamul, 41. GPR Strategies and Solutions.

6. **In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its board report.**

   Not Applicable

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the company.**

   ACC CSR projects were designed, implemented and periodically monitored based on need assessment reports and CSR Policy of the Company, which in turn is based on and implemented as per statutory requirements.

SHAILESH HARIBHAKTI
Chairman, CSR Committee

NEERAJ AKHOURY
Managing Director & Chief Executive Officer

Date: February 5, 2019

ANNEXURE 'C' TO BOARD'S REPORT

FORM NO. AOC-2

January to December - 2018

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

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

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

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

Name of the related party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (in ₹ Crore.)
Nature of Contract				
Purchase of goods	Holding Company			
Ambuja Cements Limited	Holding Company	June 1, 2018 - December 31, 2018	Based on Transfer Pricing Guidelines	12.1
				12.1
Sale of Goods				
Ambuja Cements Limited	Holding Company	June 1, 2018 - December 31, 2018	Based on Transfer Pricing Guidelines	26.2
				26.2
Use of Technology and Knowhow				
Holcim Technology Ltd	Fellow Subsidiary	January 1, 2018 - December 31, 2018	Based on Transfer Pricing Guidelines	144.5
				144.5

Notes:

1. On April 16, 2018, the Shareholders have approved the Master Supply Agreement between the Company and Ambuja Cements Ltd for sale of purchase of cement, clinker, raw materials and spare parts
2. On June 13, 2018 the Shareholders have approved the execution of the Technology and Knowhow Agreement with Holcim Technology Ltd for 3 years from January 1, 2018

ANNEXURE 'D' TO BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST DECEMBER, 2018

[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]

To,
The Members,
ACC Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ACC Limited (hereinafter called the Company). 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 Company's books, papers, minute 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 the financial year ended 31st December, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the year ended 31st December, 2018 according to the provisions of:

(1) The Companies Act, 2013 (the Act) and the rules made there under;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS – 1 & SS – 2).

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

We further report that

The Board of Directors of the Company is duly constituted with a proper balance of Executive Director, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors have taken place during the period under review..

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

During the period, all the decisions in the Board Meetings were carried unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditors for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that during the audit period there were no specific events/actions which have a major bearing on the Company's affairs.

For Pramod S. Shah & Associates
(Practising Company Secretaries)

Pramod Shah-Partner
Pramod S. Shah & Associates
FCS No.: 334
C O P No.: 3804

Date: 28/01/2019
Place: Mumbai

ANNEXURE 'E' TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

A1: POWER COST OPTIMISATION

During the year efforts were made to reduce the impact of increasing electrical energy cost by partly replacing grid power through consumption of Open Access (OA) power from comparatively cheaper sources. However, abrupt changes in additional charges for OA power through Exchange made it unviable most of the time. Inspite of this, enhanced intake of Solar power through Power Purchase Agreements (PPA) at Thondebhavi increased the Open Access consumption to 81.3 % from 73%. At Kudithini, the OA power reduced to 83.5 % from 87%, inspite of enhanced intake of Solar Power. At Gagal the OA quantum reduced to 6.44 % from 32%. In addition, consumption of OA power was started at Wadi and Madukkarai with 10% & 5% respectively of the grid power consumed.The total saving was ₹ 16.8 Crore in power cost YOY basis.

A2 : RENEWABLE POWER OBLIGATION

Your Company is trying to reduce the cash outflow for purchase of RECs against Renewable Power Obligation.

The captive wind power generation sources contributed considerably in this front. Besides this, the Company has sourced 44.49 million units collectively at Thondebhavi and Kudithini to fulfill the Solar RPO and excess units are being used to fulfill Non Solar RPO. This resulted an additional saving of approx ₹ 5 Crore.

A3: CONSERVATION OF ENERGY

Energy conservation and efficiency measures were undertaken in various areas of the cement manufacturing and Captive Power Plants (CPPs), through Operational and Capex measures. A few highlights are as under:

- Dynamic reactive power compensation to improve grid power factor
- Focus on Productivity Rate Index (PRI) improvement through Computational Fluid Dynamics (CFD) studies.
- Energy audits of all integrated plants
- Installation of High level controllers
- Installation of medium voltage drives for process fans and Boiler Feed Pumps
- Replacement of conventional lights with LED across the plants

Jamul, Wadi and Kymore plants were adjudged as Excellent Energy Efficient units by Confederation of Indian Industries (CII) during the year.

Plant wise briefs are as under

- Jamul – Installation of dynamic reactive power compensation system to improve the power factor; Installation of high level control system for kiln control;
- Gagal – Installation of high level controller for kiln control; Improving coal conveying phase density by controlling the speed; Compressed air optimization and daily tracking of compressed air power consumption; Design and implementation of 'Meal Curtain' through CFD Study for improvement of Productivity Rate Index, as well as coating reduction at Kiln inlet;
- Chanda–Installation of High level controller for kiln control; Installation of Online Condenser Cleaning system in CPP;
- Wadi –Condenser tube replacement of TG 2&5. Improvement of Calciner string fan efficiency by replacing with high efficiency fan & drive; Modification in Cooler duct at Wadi 2 through CFD Study to reduce dust accumulation in cooler riser duct and improve kiln stability; Selection and fixing AFR feeding point through CFD study for optimum combustion and enhancement of AFR usage; Reduction in clinker cooler Temperature by replacement of cooler fan and motor(FA 4 & 5) and Replacement of impeller of Cooler fan FA 6 & FA 7; Replacement of Cooler 3rd compartment plates; Reduction of losses by replacing GRR with SPRS in Raw Mill #1 fan; Reduction in primary air in burner from 9.9 % to 6.7% by replacing the existing fan with high pressure and low volume blower; Replacement of Separator cone of Cement mill;
- Tikaria –Conversion of Cement Mill # 1 to mono-chamber from double chamber to increase the mill output; Replacement of CM# 3 Recirculating fan cone and inlet damper; Installation of vacuum pump in CPP; Installation of Medium Voltage Variable Frequency Drive (MVVFD) for Boiler Feed pump; Replacement of inefficient reciprocating compressors (Flyash Handling as well as Instrument Air) with screw compressor along with VFD in CPP;
- Kymore – Installation of MV drives for process fans of bag house of line-1 and Preheater fan and Atox mill fan of line-2;

- Kudithini – Installation of automatic shut off valve for the compressed air line to avoid leakages; Interlocking of compressors to avoid idle running;
- Chaibasa – Installation of vacuum pump in place of steam ejector in CPP; Installation of VFD for Boiler feed pump in CPP to reduce Auxiliary power consumption; Installation of the online condenser cleaning system for the CPP;
- Sindri – Optimization of compressed air usage which resulted in avoiding operation of one compressor; PRI improvement of mills by modification & grinding media pattern changes; Installation of capacitor bank for power factor improvement;
- Bargarh –PC fuel firing and Transport Line was modified after CFD study for reduction of Specific Thermal energy; Preheater - top cyclone & Stage III cyclone modification through CFD study to improve cyclone efficiency; Improved fan efficiencies for Cement mill separator fan, VRM Bag house fan, PH Fan, Kiln bag house fan and Sepax fan by installing vortex breaker at fan inlet based on CFD Study;
- Madukkarai - Selection and fixing AFR feeding point for better AFR material distribution through CFD study to achieve optimum combustion and enhancement of AFR usage;
- Lakheri - Improved VRM fan efficiency by installing vortex breaker at fan inlet based on CFD Study.

Green Power

- ACC Renewable Energy Portfolio consists of 19 MW in the form of Wind Farms across 3 states and has generated approx 34.74Million Units of green power. (Rajasthan - 12.44Million Units, Tamil Nadu – 18.67 Million, Maharashtra – 3.62Million units);
- These units helped ACC to meet the Renewable Purchase Obligation (Non Solar) for Madukkarai Plant (Tamil Nadu) & Lakheri Plant (Rajasthan) fully, besides getting power at a very cheaper cost;
- In Maharashtra, ACC Thane complex and Bulk Cement Corporation of India, Kalamboli are operating mainly on renewable energy with negligible cost through the ACC wind turbines at Satara, Maharashtra. This resulted in power cost avoidance of ₹ 2.5 Crore;
- The Renewable Power Obligations of other plants are met by purchasing Renewable Energy Certificates (Solar & Non Solar).

Additional Proposals being implemented for further conservation of energy

- Design of 'Meal Curtain' through CFD Study for improvement of PRI as well as coating reduction at kiln inlet is planned for Gagal-2, Lakheri and Wadi-2;
- Selection of AFR feeding point through CFD for optimum combustion and enhancement of AFR usage is planned for Kiln-2 of Kymore;
- Installation of High level controller is planned for kiln control & mill control;
- Upgradation of existing fans, pumps & compressors with high efficient ones;
- Installation of variable speed drives for process fans for clinkering as well as grinding section, Boiler Feed Pump for Captive Power Plant;
- On Line Condenser cleaning system for CPP at Bargarh, Kymore and Chanda;
- Upgradation of Energy Management System for Kymore and Tikaria.

Impact of the above measures for reduction of energy consumption and consequent impact on cost of production

The measures stated in points (a) above would further improve the thermal and electrical energy efficiency of the Plants.

The capital investment on energy conservation equipments

Your Company invested ₹ ~ 48.8 Crore on productivity / efficiency improvement, besides implementation of low cost measures to reduce energy consumption

(B) TECHNOLOGY ABSORPTION

Research & Development (R&D)

1. Specific areas in which R & D is carried out by the Company

a) Conservation of resources through maximization of use of low-grade limestone for cement manufacture, improving quality of blended cement through innovative processing utilizing industrial by-products for improved quality Performance of ACC Plants;

b) Maximization of use of Petcoke as a fuel and optimizing a lowest cost Fuel Mix plant wise;

c) Improving the grinding efficiency of Petcoke and Coal through in-house patented process;

d) Characterization of Industrial wastes and looking into possibilities environmentally friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources;

e) Recycling of wastes and research for efficient use of scarce materials;

f) Development of new products or developing new methods of evaluation and Characterization analysis;

g) Development and use of Cement Grinding aid and accelerators for PPC, PSC and Composite Cement for improved performance in Concrete and achieving higher % Fly ash in PPC, higher % Slag in PSC and higher % Fly ash and % Slag in Composite cement;

h) Productivity research for increased efficiency in use of resources development of Application Oriented Cements with decreased CO_2 emissions;

i) Development of Cements tailored for specific market clusters and application segments;

j) Development and manufacture of Composite Cement with improved concrete performance;

k) Development of one of its kind Cement in India for reducing water seepage;

l) Development waterproofing of Internal Compound as a part of new initiative;

m) Development of cement based Niche products and Dry Mix Mortars;

n) Quality Benchmarking exercise for different market clusters of ACC products;

o) Monitoring in all the plants, the Cement performance in Concrete through application oriented testing;

p) Quality audit from mining to packing as well as labs to ensure proper sampling, ensuring reproducibility and repeatability of evaluation at each stage of manufacturing process, with automation and availability of analysis data through Laboratory Information Management System (LIMS).

2. Benefits derived as result of above R & D

a) Maintain a lead position in all the market clusters of the country;

b) Effective use of marginal quality raw materials and fuels with improved clinker quality;

c) Launch of special high performance products like F2R, Concrete+, ACC Gold for specific Market segments / Market climatic conditions;

d) Launch of LeakBlock waterproofing compound;

e) Increased absorption of blending materials like fly ash and slags in blended cements;

f) Effective replacement of the costlier natural Gypsum by cheaper by products without affecting the quality of cement targeting reduced gypsum cost per tonne of Cement;

g) Fuel efficiency;

h) Reduction in Sp.power consumption for grinding;

i) Effective use of SPC at each stage of Cement Manufacture for improving consistency of Operations and consistency in Product Quality.

3. Future plan of action

a) Focus on development of products aimed at enhancing use of cement in various applications and development of Application Oriented Cement based cementitious material;

b) Exploratory research works on the above specified areas;

c) Use of waste / by-products in cement manufacture as alternative materials;

d) Improve product quality particularly with respect to long term durability and reduction in cost of manufacture.

4. Expenditure on R & D

	₹ Crore
R & D Expenditure (₹ Crore)	6.15
Total R&D expenditure as percentage of Revenue from operation (%)	0.04

5. Foreign Exchange Earnings & Outgo

	₹ Crore
Foreign exchange earned	-
Foreign exchange used	147.52

ANNEXURE 'F' TO BOARD'S REPORT

INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1) Ratio of Remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the year 2018

Median Remuneration of all the employees of the Company (₹ in Lakhs)	4.88
Percentage increase in Median Remuneration of all the employees	2.14%
Number of permanent employees on the rolls of Company	6731

Name of Director and KMP	Remuneration (₹ in Lakhs)		% Increase in remuneration in financial year 2018	Ratio to median Remuneration of all employees
	2018	2017		
Non Executive Directors				
Mr N S Sekhsaria, Chairman	54.10	55.80	(3)	11
Mr Jan Jenisch, Deputy Chairman (appointed w.e.f. 17 Oct 2017)	21.00	4.16	- @	4
*Mr Martin Kriegner	4.30	44.00	- *	1
Mr Christof Hassig	23.00	22.50	2	5
Mr Vijay Kumar Sharma	20.50	21.00	(2)	4
Mr Eric Olsen Resigned w.e.f. September 21, 2017)	-	15.47	NA #	NA
Independent Directors				
Mr Shailesh Haribhakti	42.70	44.10	(3)	9
Mr Sushil Kumar Roongta	44.90	46.90	(4)	9
Mr Ashwin Dani	42.10	43.60	(3)	9
Mr Farrokh K Kavarana	42.90	47.60	(10)	9
Mr Arunkumar Gandhi	53.30	53.80	(1)	11
Ms Falguni Nayar	23.10	26.40	(13)	5
Executive Director				
Mr Neeraj Akhoury MD&CEO (appointed w.e.f. February 4, 2017)	713.10 ^	415.26	- @	146
Other KMPs				
Mr Sunil Nayak Chief Financial Officer	336.15	294.23	14	69

Name of the Director and KMP	Remuneration (₹ in Lakhs)		% Increase in remuneration in financial year 2018	Ratio to median Remuneration of all employees
	2018	2017		
Mr Ramaswami Kalidas Company Secretary & Head Compliance, (appointed w.e.f. September 26, 2017)	103.31	24.12	- @	21
Mr Surendra Mehta Company Secretary & Head Compliance (from April 21, 2017 upto September 25, 2017)	-	59.60	N.A.	N.A.
Mr Burjor Nariman Company Secretary & Head Compliance (Resigned w.e.f. March 31, 2017)	-	29.62	N.A.	N.A.

@ Figures are not comparable as they were appointed during the year 2017

*Mr Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 17.10.2018

^this includes the Performance Linked Incentive of ₹ 243.63 lakhs for the year 2017

2 The average percentile increase in the salaries of the employees other than Managerial Person (i.e.. MD&CEO) is 8%. Mr Neeraj Akhoury, MD&CEO was appointed on February 4, 2017 and therefore no comparison can be made on a like to like basis. The average increase in remuneration of employees other than the managerial person is in line with the industry practice and is within normal range.

3 We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the Remuneration Policy of the Company.

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the year ended December 31, 2018.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company models its effective governance on the pillars of ethics, values and professionalism all of which have been integrated into its DNA over the last eighty two years of its existence. As part of its growth strategy, ACC believes in emulating the 'best practices' that are followed in the area of Corporate Governance across various geographies.

The Company emphasizes on the need for complete transparency and accountability in all its dealings, in order to protect the interests of all its stakeholders. The governance framework encourages the efficient use of resources and equally calls for accountability for the stewardship of these resources. The Board considers itself as the repository of the trust and faith of the stakeholders and acknowledges its responsibilities towards them for creation of wealth in a sustainable manner.

Corporate Governance is the creation and enhancement of long term sustainable value for our stakeholders through ethically driven business processes. The Governance Philosophy of your Company is built on the bedrock of ethical values and the highest standards of professionalism, which the Company has effectively embraced,sustained and institutionalized for decades. Integrity, transparency, fairness, accountability and adherence with the law are inextricably embedded in the Company's business practices, ensuring ethical and responsible leadership both at the Board as well as the Management level. Your Company strongly believes that the solid Corporate Governance practices, which have evolved over the years from the dynamic culture, positive thought processes and past experiences, have been the key enablers in inculcating stakeholder trust and confidence, attracting and retaining financial and human capital, and in meeting societal aspirations.

The Company has rigorously stood by the core principles of Corporate Governance, which have been the edifice of its two-fold governance model, with the Board of Directors and the Committees of the Board at the apex level, and the Management structure at the operational level. The Board and its Committees guide, support and complement the Management team, which in turn assumes accountability and endeavours to achieve the set objectives and enhancing stakeholder value.

Board of Directors

ACC is a professionally managed Company functioning under the overall supervision of the Board of Directors. Its Board comprises of the required blend of Independent and Non-Independent Directors, including an Independent Lady Director in line with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") as amended from time to time. The Managing Director & Chief Executive Officer (MD&CEO) of the Company is the only Executive Director on the Board.

The Board of Directors is made up of eminent and qualified persons who ensure that the long standing culture of maintaining high standards of Corporate Governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the Management to achieve these objectives for value creation through sustainable profitable growth. The Board seeks accountability of the Management in creating long term sustainable growth for ensuring fulfilment of stakeholders' aspirations. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

Committee of Directors

Having regard to the significant contributions that Committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board through its following Committees closely monitors various areas of business viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee. All these are Committees mandated under law and operate within the terms of reference laid down by the Board. Apart from the above, the Board has set up the Compliance Committee which oversees the legal compliance process and the status of litigations both by and against the Company.

Managing Director & Chief Executive Officer (MD&CEO)

The MD&CEO is in overall operational control and responsible for the day-to-day working of the Company. He functions under the superintendence, direction and control of the Board. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees.

Executive Committee (ExCo)

The ExCo comprises of persons belonging to the Senior Management Cadre. The composition of the Committee has been widened during the year to include the Chief Commercial Officer, Chief Marketing Officer & Head-New Products and Services, Head-Strategy in addition to the Chief Financial Officer, Chief Manufacturing Officer, Chief People Officer and Chief Procurement Officer. The Committee supports the MD & CEO and operates within the framework of the strategic policies laid down by the Board and is responsible and accountable for overall business deliverables. The ExCo meets on a regular basis to review and monitor the performance vis-à-vis the annual plans and budgets, discusses cross functional operational matters and addresses business challenges and issues.

Organization Structure, Roles and Responsibilities

ACC has a function-based organization structure, which enables operational challenges to be addressed efficiently, swiftly and proactively. Led by the Managing Director and Chief Executive Officer, it comprises verticals for the functions of Sales & Marketing, Manufacturing, Human Resources, Finance, Procurement and miscellaneous Corporate Services. Cement Plants and Marketing Units are grouped into three regional clusters, viz. North, East and SouthWest. The Regional Heads for Sales, Logistics, Finance and HR have a direct reporting line to the respective Vertical Heads. The Heads of Plants report to the respective Manufacturing Cluster Head in the Region. Procurement activities are managed by the India Procurement Organization executed from five Procurement Cluster Offices. The Finance, Secretarial and Compliance functions report to the Chief Financial Officer whereas the Health & Safety and Legal functions report to the MD&CEO.

BOARD OF DIRECTORS

Composition of the Board as on December 31, 2018

Category	No. of Directors
Non Executive & Independent Directors including Independent Woman Director	06
Other Non Executive Directors	05
Executive Director	01

Directors' Profile

The Board of Directors comprises of professionals of eminence and stature drawn from diverse fields. They collectively bring to the fore a wide range of skills and experience to the Board, which elevates the quality of the Board's decision making process.

Mr N S Sekhsaria (DIN:00276351) – Non Executive and Non Independent Director

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

A first generation industrialist, Mr Sekhsaria obtained his Bachelors Degree in Chemical Engineering with honours and distinction from the University of Bombay. He is the Principal Founder-Promoter and current Chairman of Ambuja Cements Limited. Mr Sekhsaria was invited to join the ACC Board in 1999 and was appointed Deputy Chairman in January, 2000. He is the Chairman of the Company since the year 2006.

Mr Sekhsaria built Ambuja Cements Limited, setting up benchmarks for the Indian Cement Industry which had not been attained before. His acumen as an entrepreneur and technocrat transformed the company into the most efficient and profitable cement company in the country and redefined industry practices by changing the perception of cement from a commodity to a branded product. Mr Sekhsaria has championed the cause of community development by establishing the Ambuja Cement Foundation and transformed it into a model of excellence in social responsibility.

With his considerable wealth of experience, Mr Sekhsaria brings immense value to the ACC Board. Under his leadership, ACC has achieved significant improvements in the areas of project management, logistics and in overall cost-competitiveness. The impact of this guidance is tangible from the high growth trajectory ACC has experienced since 1999.

Mr Sekhsaria is a Member on the Nomination & Remuneration Committee.

Expertise in Specific Functional Areas	Doyen of the Cement Industry, he has been responsible for transforming the Cement Industry by setting benchmarks in the areas of Management, Marketing & Logistics and manufacturing efficiencies and sustainable development
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited; JM Financial Asset Reconstruction Company Limited

Mr Jan Jenisch, (DIN:07957196) - Non Executive and Non Independent Director

Mr Jenisch was inducted on the Board with effect from October 17, 2017 upon his appointment as the CEO of LafargeHolcim, the Parent Company.

Mr Jenisch is a German National and has joined LafargeHolcim as its Chief Executive Officer on September 1, 2017. Prior to his joining LafargeHolcim, Mr Jenisch has served with Sika AG since 1996 in various management functions and countries. He was appointed to the Management Board of Sika in 2004 as Head of the Industry Division and served as President Asia Pacific from 2007 to 2012. Mr Jenisch was the Chief Executive Officer of Sika AG from 2012. Under his leadership, Sika expanded into new markets and set new standards of performance in sales and profitability. Mr Jenisch graduated from the University of Fribourg, Switzerland and holds an MBA degree.

Expertise in Specific Functional Areas	Business Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited

Mr Neeraj Akhoury (DIN:07419090) – MD&CEO

Mr Akhoury brings with him over two decades of rich experience in the steel and cement industries with expertise in sales and distribution, marketing & supply chain operations, management & corporate strategy. He began his career with Tata Steel in 1993 and joined Lafarge SA Group (LafargeHolcim Group since July 2015) 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 Strategy & Business Development Director for Middle East & Africa at the Lafarge headquarters in Paris. He has also served as CEO of Lafarge Surma Cement Limited and as Country Representative of LafargeHolcim Bangladesh.

Mr Akhoury has a degree in Economics from Allahabad University, followed by a one year management programme from XLRI, India. He is an alumnus of the Harvard Business School (General Management).

Mr Neeraj Akhoury is a Member on the Compliance Committee, Risk Management Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Board.

Expertise in Specific Functional Areas	Corporate Strategy, Sales and Distribution Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Bulk Cement Corporation (India) Limited; Holcim Services (South Asia) Limited

Mr Martin Kriegner (DIN:00077715) – Non Executive and Non Independent Director

Mr Martin Kriegner is an Austrian national and a Member of LafargeHolcim's Executive Committee since August 2016, with overall responsibility for India and South East Asia. Since January 2018 he is also responsible for operations in Australia and New Zealand. He is a graduate from the Vienna University with a Doctorate in Law and has obtained an MBA at the University of Economics in Vienna.

Mr Martin Kriegner joined Lafarge 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 for LafargeHolcim operations and was appointed Head of India effective March 1, 2016.

Mr Kriegner is a Member on the Audit Committee and Nomination & Remuneration Committee.

Expertise in Specific Functional Areas	Operations, Finance & General Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited

Mr Shailesh Haribhakti (DIN:00007347) – Non Executive and Independent Director

Mr Shailesh Haribhakti is a career Chartered Accountant, with over four decades of experience in developing and leading one of India's most respected and diversified Chartered Accounting firms-Haribhakti & Co. LLP, Chartered Accountants. He stepped away from the Company's management on attaining the age of 62 in 2018. He is now pursuing the establishment of high quality auditing globally through a "not for profit" initiative surrounding his recently authored book – "Audit Renaissance".

To provide universal dispersion of his knowledge & experience in corporate governance, he has teamed up with senior and highly respected professionals to manage Intuit Consulting Pvt. Ltd. which will provide digitally enabled Governance & Compliance support to corporations globally.

Apart from the directorships mentioned herein below Mr Haribhakti is on the Board of Gaja Capital Group and also serves on Advisory Boards of Doha Bank and Excellence Enablers Private Limited.

To serve the Micro Small and Medium Enterprise (MSME) community he has set up a verification, diligence and shared services firm known as New Haribhakti Business Services Group through a process of interactivity over the internet and digitization. This group will serve to support safe lending and timely recovery of finances in the MSME sector.

To give wings to equity investing in a "New India" he has established along with like minded professionals Mentorcap Management Pvt. Ltd. to invest in a new age car washing enterprise, alkaline water and solar refrigeration through the supply chain.

Mr Haribhakti actively promotes "shared value" creation and a green environment through his own enterprise Planet People & Profit Consulting Private Limited and his leadership roles as Chairman of United Way and Chairman/Member of the CSR Committees of some of the Boards that he serves on. He has successfully established the concept of "Innovate to Zero" which is in alignment with the idea of making the impact of every intervention focused, widespread, co-operative and far-reaching.

Mr Haribhakti has a passion for teaching, writing and public speaking. He was associated with IIM-Ahmedabad as visiting faculty from 1981-83. He has led BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two years he served on the Standards Advisory Council of the IASB in London and was Chairman of NPS (National Pension Scheme) Trust from 2015-2017. He frequently contributes his views on public forums, to the press and to the electronic media.

Mr Haribhakti is the Chairman of the Corporate Social Responsibility and Risk Management Committees of the Board and Member of the Stakeholders' Relationship, Nomination & Remuneration and Compliance Committees.

Expertise in Specific Functional Areas	Auditing, Tax and Risk Advisory Services
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited; Torrent Pharmaceuticals Limited; Blue Star Limited; NSDL E-Governance Infrastructure Limited; Mahindra Lifespace Developers Limited; Bennett Coleman & Company Limited; Future Lifestyle Fashions Limited; L&T Finance Holdings Limited; L&T Mutual Fund Trustee Limited

Mr S K Roongta (DIN:00309302) – Non Executive and Independent Director

Mr Roongta holds a Bachelors degree in Engineering from Birla Institute of Technology & Science (BITS), Pilani and a Post Graduate Diploma in Business Management - International Trade, from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of the All India Management Association (AIMA).

Mr Roongta has wide and varied experience in public sector undertakings. He is presently Non- Executive Chairman of Bharat Aluminium Company Limited (BALCO) and Talwandi Sabo Power Limited (TSPL). Earlier, during his tenure as Chairman of SAIL from August 2006 to May 2010, the ranking of SAIL among 'World Class Steel Makers' moved up to the second position from the seventeenth position, as per World Steel Dynamics, USA.

Mr Roongta headed a panel of Experts on the Reforms in the Central PSEs, constituted by the Planning Commission. He has also been a Member of the Committee formed by the Ministry of Corporate Affairs, to formulate a Policy Document on Corporate Governance.

He is associated with several academic institutions, and has been the Chairman, Board of Governors, IIT Bhubaneswar (2012-2015) and is presently on the Board of Management of J.K. Lakshmipat University. He is also associated with apex Chambers of Commerce, being a member on National Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman of the National Expert Committee on Minerals & Metals of Indian Chambers of Commerce (ICC) and co-chairs Industry Committee of PHD Chamber of Commerce and Industry.

Mr Roongta is a recipient of several awards and accolades including SCOPE Award for excellence and for outstanding contribution to the Public Sector Management - Individual Category and IIM – JRD Tata award for Excellence in Corporate Leadership in Metallurgical Industries - 2016.

Mr Roongta is a Member on the Audit Committee, Risk Management Committee and Compliance Committees of the Board.

Expertise in Specific Functional Areas	General Management and expert knowledge in Mines and Metallurgy industries
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Jubilant Agri and Consumer Products Limited; Hero Steels Limited; Talwandi Sabo Power Limited; Jubilant Industries Limited; Jubilant Life Sciences Limited; CL Educate Limited; Bharat Aluminium Co. Ltd.; Great Eastern Energy Corporation Limited

Mr Ashwin Dani (DIN:00009126) – Non Executive and Independent Director

Mr Dani holds a BSc (Hons) degree from the Institute of Science, University of Mumbai. He completed B.Sc. (Tech) -Paints, Pigments and Varnishes from U.D.C.T. (now known as Institute of Chemical Technology), University of Mumbai. He holds a Masters Degree in Polymer Science (USA) and a Diploma in Colour Science (USA).

Mr Dani started his career in 1967, as a Development Chemist with Inmont Corp. (now known as BASF), Detroit, USA, a major supplier of automotive OEM and refinishes. He joined Asian Paints Ltd. in 1968 as Senior Executive and moved through successive senior positions like Director - R&D, Works Director, Whole-time Director and as Vice Chairman and Managing Director from December, 1998 to March, 2009. Mr Dani has an in-depth knowledge of supply chain management and is mainly responsible for the strong and committed dealer network at Asian Paints Limited which, *inter alia*, has contributed to that company's superior performance. Currently, he is the Non-Executive Chairman of Asian Paints Limited.

Mr Dani is the past President of the Indian Paint Association (IPA) and has received a number of awards for his contributions to the Paint Industry. He was the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI). He was a member of the Central Board of Trustees - Employees Provident Fund of the Government of India and was also the President of the Board of Governors of the UDCT (presently ICT) Alumni Association, Mumbai. Currently, he is a member on the Board of Management of ICT Mumbai.

Mr Dani is the Chairman of the Nomination & Remuneration Committee and is a Member on the Audit Committee of the Board.

Expertise in Specific Functional Areas	Rich experience in Supply Chain Management and Sustainable Development
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Resins and Plastics Limited; Hitech Corporation Limited; Asian Paints Limited; Gujarat Organics Limited

Mr Farrokh Kavarana (DIN:00027689) – Non Executive and Independent Director

Mr Kavarana holds a B.Com. (Hons.) degree from the University of Bombay and an MBA from the Wharton School, University of Pennsylvania. He is a Fellow of the Institute of Chartered Accountants of England & Wales and a Member of the Institute of Chartered Accountants of India.

Mr Kavarana retired in 2014 as a Director of Tata Sons Limited and Tata Industries Limited, the apex holding companies of the Tata Group, after a career spanning four decades with the Group. He was Chairman of several Tata Companies in India and abroad - Tata AIG General Insurance Company Ltd., Tata AIA Life Insurance Company Ltd., Tata Projects Limited and Trent Limited. He was Executive Chairman of Tata Asset Management Ltd. from 2005 to 2009 and of Tata Infotech Ltd. from 2000 to 2005. He served as Executive Director of Tata Motors Limited from 1994 to 2000. He was Vice Chairman & Managing Director of Tata International AG, Switzerland and Tata Ltd., U.K., from 1975 to 1994 responsible for Tata Sons' overseas operations and investments. Prior to his association with Tata Group, Mr Kavarana was with McKinsey & Co. Inc. in London and Washington D.C. from 1970 to 1974.

Mr Kavarana is involved with several social and charitable institutions and is Chairman - Lady Tata Memorial Trust, Trustee - Nani Palkhivala Memorial Trust and the National Centre for the Performing Arts. He was a founder Trustee of Childline India Foundation from 1999 to 2014. He is a recipient of the Dadabhai Naoroji International Millennium Award 2005 and the Wharton India Alumni Award 2009.

He is a Member on the Audit Committee, the Nomination & Remuneration and the Corporate Social Responsibility Committees of the Board. He is the Chairman of the Stakeholders' Relationship Committee and of the Compliance Committees of the Board.

Expertise in Specific Functional Areas	Financial Management, good governance practices and rich exposure from his directorships in Tata Group Companies in India and abroad
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	The Great Eastern Shipping Company Limited

Mr Vijay Kumar Sharma (DIN:02449088) – Non Executive and Non Independent Director

Mr Vijay Kumar Sharma was the Chairman of Life Insurance Corporation of India (LIC) until he attained superannuation from the Corporation with effect from January 1, 2019. LIC has confirmed that Mr Sharma will continue to be their representative on the Company's Board after his superannuation. Prior to his taking over as Chairman of LIC on December 16, 2016, he served as Chairman (In-charge) from September 16, 2016 and Managing Director, LIC from November 1, 2013. From December 2010 to November 2013, he served as Managing Director & Chief Executive Officer, LIC Housing Finance Limited (LICHFL), a premier housing finance company in the country.

Mr Sharma is a post graduate from Patna University. He joined Life Insurance Corporation of India as Direct recruit Officer in 1981 and grew up with the Corporation since then. He held various challenging assignments pan India and in all operational streams including 'in-charge' positions at different levels. Working across the length and breadth of the Country has added immensely to his experience and honed his understanding of demographics of the Country, socio-economic needs of different regions and multi-cultural challenges in the implementation of Corporate's objectives.

As MD&CEO of LICHFL, he stabilized the operations of the Company under most challenging circumstances of negative media glare, intense scrutiny by Regulator and others and turned it around to be the best Housing Finance Company in 2011.

He has been an inspirational leader who utilizes negotiation skills gained over thirty seven years of extensive experience in insurance and financial sectors. He has the ability to connect at grass root levels, believes in bottom-up approach and has the ability to see the big picture and translate it to reality. He is known as Growth Leader, leading the Organization to surge ahead and turnaround on its growth path in all the segments of performance.

Mr Vijay Kumar Sharma was Chairman, Board of Directors of LICHFL, LIC (International) Bahrain B.S. C. (C), Life Insurance Corporation Singapore Pte. Ltd. and other companies. He was also Director on Board of Kenindia Assurance Co. Ltd.

Expertise in Specific Functional Areas	Business strategy, Product Development & Branding, Risk Mitigation & Compliance
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Tata Steel Limited; Mahindra & Mahindra Limited; ICICI Bank Limited

Mr Arunkumar Gandhi (DIN:00007597) – Non Executive and Independent Director

Mr Arunkumar Gandhi is a Fellow Member of the Institute of Chartered Accountants of England & Wales and a Fellow Member of the Institute of Chartered Accountants of India.

He was with N M Raiji & Co., Chartered Accountants, as a partner from 1969 and in 1993 became a Senior Partner. He occupied this position till July 2003. As partner, Mr Gandhi audited several public and private sector entities. He is an expert on share valuation and corporate re-structuring (i.e. mergers/demergers).

He was the Executive Director of Tata Sons Limited from August 2003 till August 2008 and was thereafter appointed Director of Tata Sons Limited, on whose Board he served upto March 2013.

Mr Gandhi has been assisting the Tata Group in acquiring diverse assets and companies across the globe. This has enabled the Tata Group to acquire critical assets, resources access to world class R&D facilities. In these transactions, he advised on business valuation, financial due diligence, counter-party negotiations, financing and applicable merger control provisions.

Over the last twenty years, Mr Gandhi has served as a Director on the Board of several Indian and foreign companies.

Mr Gandhi is the Chairman of the Audit Committee and a Member of the Stakeholders' Relationship Committee of the Board.

Expertise in Specific Functional Areas	Auditing, Tax Planning, Corporate Restructuring and in particular the area of business valuation
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Huhtamaki PPL Limited; Walchandnagar Industries Limited

Ms Falguni Nayar (DIN:00003633) – Non Executive and Independent Director

Ms Falguni Nayar is a Graduate from Sydenham College of Commerce & Economics and a Post Graduate from Indian Institute of Management, Ahmedabad.

Ms Nayar has a rich experience of over two and half decades. She started her career as a Manager and Consultant at A F Ferguson & Company. In 1993, she joined Kotak Mahindra Group to lead the M&A and Project Advisory Initiatives. She has held senior positions in various capacities and was the Managing Director and Chief Executive Officer of Kotak Investment Bank from 2006 to 2012. Ms Nayar is the founder and Chief Executive Officer of Nykaa.com, a beauty retail platform which she launched in 2012.

Ms Nayar was recognized as a Top Woman in Business by Business Today in 2011 and 2017. She has also received the FICCI Ladies Organization Award for Top Woman Achiever in the field of banking in 2008. In 2017 Ms Nayar has won the "Woman Ahead" award at The Economic Times Start-Up Awards 2017.

Ms Nayar is a Member on the CSR Committee and Risk Management Committees of the Board.

Expertise in Specific Functional Areas	Financial services and e-marketing
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Tata Motors Limited; Endurance Technologies Limited; Dabur India Limited; Tata Technologies Limited; Kotak Securities Limited

Mr Christof Hassig (DIN:01680305) – Non Executive and Non Independent Director

Mr Christof Hassig heads the Corporate Strategy and Mergers & Acquisitions function in LafargeHolcim, reporting directly to the Chief Executive Officer.

Before joining the former Holcim Limited in 1999, Mr Christof Hassig worked for twenty five years at UBS in many different functions, including as Global Relationship Manager and Investment Banker for multinational corporates in Switzerland and other countries.

Within the former Holcim Limited, he was reporting directly to the Chief Financial Officer with many direct links to all other Executive Directors including Chief Executive Officer. For the past fifteen years, he has built and led the department of Corporate Financing & Treasury. This function spans across all the geographic regions and includes matrix organizations with the finance department of the operating companies in various countries.

In December 2012 he took over additional responsibilities as head of the newly created Mergers & Acquisitions function at Group level. In March 2013, the Group's Insurance Department was moved and integrated into the Corporate Finance & Treasury Department.

He started his career with a three year apprenticeship in Banking followed by a Masters in Banking and Advanced Management Programme at Harvard Business School in 2006.

Expertise in Specific Functional Areas	Corporate Finance & Treasury, Mergers & Acquisitions
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited

Directorships and Memberships on Committees:

The total number of Directorship(s) held by the Directors, and the position of Membership/Chairmanship on Committees held by them is given below. All the Directors are compliant with the provisions of the Act and SEBI Listing Regulations. None of the Directors are interested inter-se.

Name of Director	Category	Date of Appointment	*Number of Directorship(s) held in Indian public listed companies (including ACC)	**Committee(s) position (including ACC)	
				Member	Chairman
Mr N S Sekhsaria (Chairman)	Non Executive/Non Independent	27.12.1999	2	0	0
Mr Jan Jenisch (Deputy Chairman)	Non Executive/Non Independent	17.10.2017	2	0	0
Mr Neeraj Akhoury (Managing Director & Chief Executive Officer)	Executive	16.12.2016	1	1	0
Mr Martin Kriegner	Non Executive/Non Independent	11.02.2016	2	2	0
Mr Shailesh Haribhakti	Non Executive/ Independent	17.02.2006	7	7	3
Mr Sushil Kumar Roongta	Non Executive/ Independent	03.02.2011	6	3	1
Mr Ashwin Dani	Non Executive/ Independent	15.12.2011	3	3	2
Mr Farrokh Kavarana	Non Executive/ Independent	03.05.2013	2	3	1
Mr Vijay Kumar Sharma	Non Executive/ Non Independent	06.02.2014	4	0	0
Mr Arunkumar Gandhi	Non Executive/ Independent	24.04.2014	3	3	1
Ms Falguni Nayar	Non Executive/ Independent	24.04.2014	4	2	0
Mr Christof Hassig	Non Executive/Non Independent	09.12.2015	2	0	0

*Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies

**Committees considered are Audit Committee & Stakeholders' Relationship Committee.

Board Diversity

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board.

Pursuant to SEBI Listing Regulations, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The policy on diversity is posted on the Company's website and can be accessed on web link http://www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. With different points of views arising from their expertise and experience, they enrich the Board's decision making and also prevent possible conflicts of interest that may emerge in such decision making.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes recommendations to the Board.

The Company has appointed Independent Directors for a term of five years from their respective dates of appointment as per the requirements of the Act and SEBI Listing Regulations. The appointments of Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta, Mr Ashwin Dani and Mr Farrokh K Kavarana were effective from July 24, 2014 while those of Mr Arunkumar Gandhi and Ms Falguni Nayar were effective from April 24, 2014.

The Company's Succession Policy as applicable to the Directors provides that a person shall not be eligible for appointment as a Director upon reaching the age of seventy five years.

In consequence thereof, Mr Ashwin Dani, Mr Farrokh K Kavarana and Mr Arunkumar Gandhi, all of whom have completed/will complete the age of seventy five years during their present tenure of appointment, have expressed their inability to continue as Directors from the conclusion of the ensuing Annual General Meeting. In view of the above, the Board has, based on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on February 5, 2019, recommended for approval by the shareholders at the ensuing Annual General Meeting, the appointment of the following persons as Independent Directors from the conclusion of this Annual General Meeting for a consecutive period of five years:

- Mr Damodarannair Sundaram
- Mr Vinayak Chatterjee
- Mr Sunil Mehta

The detailed profile of the persons proposed to be appointed has been provided as part of the Explanatory Statement accompanying the Notice for the Annual General Meeting.

In addition, as Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta and Ms Falguni Nayar, will be completing their first term of appointment of five years during the course of the current year, it is proposed to re-appoint them at this Annual General Meeting for another term of five consecutive years subject to approval of the Members by Special Resolution.

None of the existing or proposed Independent Directors serve as "Independent Directors" in more than seven listed companies in line with the requirements of the SEBI Listing Regulations. The said Independent Directors have also confirmed that they meet the criteria of independence as laid down under the Act and the SEBI Listing Regulations as amended.

Confirmation as regards independence of Independent Directors

In the opinion of the Board, both the existing Independent Directors and those who are proposed to be appointed at the Annual General Meeting, fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

Meeting of Independent Directors

During the year under review, the Independent Directors met twice on April 18, 2018 and December 12, 2018, *inter alia* to:

- Review and recommend the renewal of Technology & Knowhow Agreement with Holcim Technology Ltd. for a further period of three years effective from January 1, 2018.
- Review of the performance of Non Independent Directors and the Board of Directors as a whole;
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
- Assessment of the quality, content and timelines for the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties;
- Evaluation of the performance of the Corporate Secretarial function; and
- Other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the Meetings and the openness and transparency with which the Management discusses various subject matters specified on the agenda of meetings. The consolidated Evaluation Report of the Board was discussed at the Meeting of the Board held on December 12, 2018 and the action areas identified in the process are being implemented to ensure a better interface at the Board/Management level.

Induction Programme for new Directors and Ongoing Familiarization Programme for existing Independent and Non Independent Directors

A formal induction programme for new Directors and an ongoing familiarization process with respect to the business/working of the Company for all Directors is a major contributor to familiarize the directors with the dynamics of the cement industry to facilitate engaging them in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director which, *inter alia*, explains the role, function, duties and responsibilities of the Director and the Board's expectations from him/her. The compliances required from a Director - under the Act, SEBI Listing Regulations and other relevant regulations are also explained in detail to the Directors and necessary affirmations obtained from them in respect thereto.

By way of an introduction to the Company, the Director is presented with a book on the rich legacy of the Company which traces its history of over 82 years of its existence, past Annual Reports, Sustainable Development Report, brochure on the CSR activities pursued by the Company, copies of "The Indian Concrete Journal" which is a well accepted journal on civil engineering and construction, published by the Company which, *inter alia*, discusses topics on various types of cement and their applications and "ACC Parivar" the Company's house magazine.

A presentation is also shared with the newly appointed director which provides an overarching perspective of the cement industry, organizational set up of the Company and governance model, the functioning of various divisions/departments, the Company's market share and the markets in which it operates, brand equity, internal control processes and other relevant information pertaining to the Company's business.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfil his role. In addition to the above, Board Members are regularly informed through mailers about developments in the cement industry, regulatory developments and changes which impact the Company.

Directors are also encouraged to visit the Company's plants to have a better insight of the manufacturing processes, facilities and the social environment in which the Company functions. Further, as an ongoing process, the Board is updated on a regular basis through presentations and discussions on the overall economic trends, the legal and regulatory framework and amendments thereto, the performance of the Company and that of the cement industry, analysis of the circumstances which have helped or adversely impacted the Company's performance with its peers in the industry as available in the public domain and the initiatives taken/proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks, mitigation plan etc.

With a view to familiarize the Directors with the best practices in the cement industry, the Company had, in June 2018, arranged a visit for the Directors to LafargeHolcim's state-of-the-art Research and Development Center in Lyon, France, one of their cement/RMX Plants and construction sites in the area. LafargeHolcim, the ultimate Holding Company of ACC is by a distance, the leading international player in the business of cement, aggregates and construction materials and the visit of our Directors to their R&D Centre was very informative and insightful particularly with respect to the initiatives taken by LafargeHolcim for substituting, wherever possible in production, natural raw materials with alternative materials to conserve non-renewable natural resources and also for reduction of CO_2 emissions. The Directors also had interactions with the Directors of the Ultimate Holding Company to understand the Group's vision and the 2030 Sustainability Plan with a view to align local operations in India to the Group's vision.

Based on suggestions received from some Independent Directors during the previous year's evaluation process, a new initiative has been rolled out through the initiative of the Chairman to organize a Directors' Conclave wherein eminent personalities from various disciplines shall be invited to share their experiences and insights with the Board as well as the members of the Senior Management to widen their horizon on different issues. To begin, the first conclave was flagged off in November 2018 through an interactive session with Mr Nandan Nilekani, Chairman, Infosys Limited who addressed the gathering and provided his incisive insight on the impact of emerging digital technologies on businesses.

Details of the programme for familiarization of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through web link http://www.acclimited.com/sh/FPID.pdf

Performance Evaluation of the Board and Individual Directors

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the working of its Audit, Nomination and Remuneration, Compliance and Risk Management Committees. A structured questionnaire was prepared after taking into consideration, inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/Committees, *inter alia*, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/Committees, independence of judgement exercised by Independent Directors, interpersonal relationship etc.

Based on the inputs received from the Directors, an action plan has been drawn up in consultation with the Directors to encourage greater engagement of the Independent Directors with the Company.

Remuneration of Directors

The policy for payment of remuneration to Directors, Key Managerial Personnel and Members of the Management Executive Committee is set out in the website of the Company at http://www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

Terms of remuneration of Mr Neeraj Akhoury, Managing Director & Chief Executive Officer (MD&CEO)

The terms and conditions of appointment and remuneration of Mr Neeraj Akhoury, MD&CEO, were approved by the Members of the Company at the Annual General Meeting held on March 29, 2017 and can be accessed through web link http://www.acclimited.com/sh/NT.pdf

Remuneration of the Directors and the Key Managerial Personnel

Remuneration of the Directors during the year is set out below. The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by the shareholders of the Company. None of the Directors of the Company have any pecuniary relationship with the Company.

₹ Lakhs

Name of the Director	Salary	Commission	Sitting Fees	Total
Mr N S Sekhsaria, Chairman	-	50.00	4.10	54.10
Mr Jan Jenisch, Deputy Chairman	-	20.00	1.00	21.00
Mr Neeraj Akhoury, MD&CEO	^713.10	-	-	713.10
*Mr Martin Kriegner	-	-	4.30	4.30
Mr Shailesh Haribhakti	-	36.00	6.70	42.70
Mr Sushil Kumar Roongta	-	36.00	8.90	44.90
Mr Ashwin Dani	-	36.00	6.10	42.10
Mr Farrokh K Kavarana	-	36.00	6.90	42.90
Mr Vijay Kumar Sharma	-	20.00	0.50	20.50
Mr Arunkumar Gandhi	-	45.00	8.30	53.30
Ms Falguni Nayar	-	20.00	3.10	23.10
Mr Christof Hassig	-	20.00	3.00	23.00

*Mr Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 17.10.2018

^The remuneration of MD&CEO includes the Performance Linked Incentive of ₹243.63 lakhs for the year 2017

The remuneration drawn by the Key Managerial Personnel during the year, other than the MD&CEO whose remuneration has been stated above, is as under:

₹ Lakhs

Name of Key Managerial Personnel	Salary	Commission	Sitting Fees	Total
Mr Sunil Nayak, Chief Financial Officer	336.15	-	-	336.15
Mr Ramaswami Kalidas, Company Secretary & Head Compliance	103.31	-	-	103.31

MEETINGS

Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
February 8, 2018	12	09
February 26, 2018	12	10
April 18, 2018	12	10
July 23, 2018	12	11
October 17, 2018	12	11
December 12, 2018	12	07

The gap between any two Board Meetings did not exceed one hundred and twenty days in line with the requirements of the Act and the SEBI Listing Regulations.

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board Meetings held on						Attendance at the AGM held on 13.06.2018
	08.02.2018	26.02.2018	18.04.2018	23.07.2018	17.10.2018	12.12.2018	
Mr N S Sekhsaria	✓	✓	✓	✓	✓	✓	Leave of Absence
Mr Jan Jenisch	Leave of Absence	Leave of Absence	Leave of Absence	✓	✓	Leave of Absence	Leave of Absence
Mr Neeraj Akhoury	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	✓	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	Leave of Absence	✓	✓	✓	✓	✓	Leave of Absence
Mr Sushil Kumar Roongta	✓	✓	✓	✓	✓	✓	✓
Mr Ashwin Dani	✓	✓	✓	✓	✓	Leave of Absence	✓
Mr Farrokh Kavarana	✓	✓	✓	✓	✓	Leave of Absence	✓
Mr Vijay Kumar Sharma	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	✓	Leave of Absence	Leave of Absence
Mr Arunkumar Gandhi	✓	✓	✓	✓	✓	✓	✓
Ms Falguni Nayar	✓	✓	✓	✓	Leave of Absence	Leave of Absence	✓
Mr Christof Hassig	✓	✓	✓	✓	✓	✓	Leave of Absence

The Act facilitates the participation of a Director in Board/ Committee Meetings through video conference or other audio visual modes. Accordingly, the option to participate at the Meetings through video conference was made available for the Directors except in respect of such items which are not permitted to be transacted under the statute through the use of such facility.

Duties and Functions of the Board

The Board of Directors' primary responsibility is to foster the Company's short and long-term success through sustainable continuance and progress of its business and thereby create value for its stakeholders. To this end, the Board of Directors sets out the corporate culture, lays down high ethical standards of corporate behavior and ensures transparency in its dealings.

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the Management, which is responsible for the day-to-day operations. It does this by providing strategic guidance, monitoring operational performance and ensures that robust policies and procedures are in place. The Board, through its various Committees, reviews the identified risks and the mitigation measures undertaken/to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards CSR. In particular, the Board reviews and approves quarterly/ half yearly unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure. It monitors overall operating performance, Health & Safety (H&S) performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability. The Agenda for the Board Meetings covers items set out as guidelines in SEBI Listing Regulations to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The Agenda is sent out to the Directors within the period stipulated in the Secretarial Standards. The Board processes are also in consonance with the requirements of the Secretarial Standard-1 relating to Meetings of the Board and its Committees.

COMMITTEES OF THE BOARD

The Company has over the years maintained the highest standards of Corporate Governance processes, and has had the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements. For instance, the Board of Directors had constituted the Audit Committee in 1986. A Share Committee was constituted in 1962 to look into various matters relating to the shares of the Company and investor relations, which has transformed into the 'Stakeholders' Relationship Committee'. Likewise, a Compensation Committee was constituted in 1992. This Committee has subsequently been re-constituted as the 'Nomination & Remuneration Committee' with wider terms of reference as per statutory requirements.

The constitution, terms of reference and the functioning of the existing Committees of the Board is explained hereunder. Each of these Committees demonstrates the highest levels of integrity and has the requisite expertise to handle issues relevant to their field. These Committees spend considerable time and give focused attention to the various issues placed before it and the guidance provided by these Committees lend immense value, support and enhances the qualitativeness of the decision making process of the Board. The Board reviews the functioning of these Committees from time to time.

The Meetings of each of these Committees are convened by the respective Chairmen, who also apprise the Board about the summary of discussions held at their Meetings. The Minutes of the Committee Meetings are sent to all Directors individually for their approval/ comments as per the prescribed Secretarial Standard-1 and after the Minutes are duly approved, these are circulated to the Board of Directors and tabled at the Board Meetings.

Audit Committee - Mandatory Committee

The Audit Committee acts as an interface between the statutory and internal auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviews the Company's statutory and internal audit processes. More than two thirds of the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act and SEBI Listing Regulations. All the Members of the Committee have the ability to read and understand the financial statements. The Chairman is a Chartered Accountant of immense repute.

The functions of the Committee *inter alia* include:

Financial Reporting and Related Processes

- Effective oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with the Management (i) the quarterly unaudited financial results drawn up both on a standalone and consolidated basis and the Auditors' Limited Review Reports thereon, (ii) audited annual financial statements (standalone and consolidated) and Auditors' Report thereon before submission to the Board for approval. This would, *inter alia*, include reviewing changes in the accounting policies and practices and reasons for such changes, major accounting entries involving estimates based on exercise of judgement by the Management.
- Review the Management Discussion & Analysis of the financial condition and results of the Company's operations.
- Review of management letters /letters of internal control weaknesses, if any, issued by the Statutory Auditors.
- Review of internal audit reports relating to internal control weaknesses, if any
- Discuss with the Statutory Auditors, its judgement about the quality and appropriateness of the Company's accounting principles with reference to relevant Accounting Standards and the relevant Rules under the Act as amended from time to time.
- Scrutiny and review of the investments and inter-corporate loans made by the Company.

Internal Financial Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's Accounting system and internal financial controls.
- Review and discussion with the Management on the Company's major financial risk exposures and steps taken by the Management to monitor and mitigate such risks.
- To oversee and review the functioning of the vigil mechanism implemented in the Company as EthicalView Reporting Policy (EVR Policy) and to review the findings of investigations into cases of material nature, if any, and the actions taken in respect thereof.

Audit

- Review the scope of the Statutory Audit, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review and monitor the auditors' independence and performance and effectiveness of the audit process.
- Review and discuss the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors, considering their independence and effectiveness and their replacement and removal, if necessary.
- Approve such additional services which are to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act, and payment for such services.
- Recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- Discussions with the Chief Internal Auditor on significant findings and follow-up thereon.
- Reviewing the annual Cost Audit Report submitted by the Cost Auditors.

Other Functions

- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer after assessing the qualifications and experience of the candidates.
- To grant prior approval to all related party transactions including any subsequent modifications thereto, grant of omnibus approvals for related party transactions which are repetitive in nature, are in the ordinary course of business and on an arms' length pricing basis and to review and approve such transactions subject to the approval of the Board or shareholders, as the case may be.
- The scope and terms of reference of the Committee will be widened further effective from April 1, 2019, in line with the amendments made to the listing regulations which become applicable from the said date.

The composition of the Audit Committee as at December 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Audit Committee Meeting held on					
		07.02.2018	26.02.2018	18.04.2018	23.07.2018	17.10.2018	10.12.2018
Mr Arunkumar Gandhi, Chairman	Non Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	Non Executive/ Non Independent	✓	✓	✓	Leave of Absence	✓	Leave of Absence
Mr Sushil Kumar Roongta	Non Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Ashwin Dani	Non Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	✓	✓	Leave of Absence	Leave of Absence

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on June 13, 2018.

All the Members on the Audit Committee are financially literate and possess sound knowledge in finance, accounting practices. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all Audit Committee Meetings held during the year at which the financial statements have been placed for review. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee at which the Cost Audit Report is tabled for discussion. The Managing Director & Chief Executive Officer (MD&CEO), the Chief Financial Officer (CFO), the Chief Internal Auditor and the Chief Manufacturing Officer attend the Meetings of the Committee. The Company Secretary is the Secretary to the Committee.

During the year under review, the Audit Committee held a separate one-to-one meeting with the Statutory Auditors and the Chief Internal Auditor to obtain their inputs on significant matters relating to their respective areas of audit without the presence of the MD&CEO, CFO and others representing the Management.

Performance Review of the Audit Committee

The performance of the Audit Committee is assessed annually by the Board of Directors through a structured questionnaire which broadly covers composition of the Committee, frequency of meetings; engagement of the Members, the quality of discussion, overview of the financial reporting process; adequacy of internal control systems and overview of internal and external audits. The results of the assessment are presented to the Committee along with the action plan in the areas requiring improvement, if any, which are suitably addressed.

Stakeholders' Relationship Committee - Mandatory Committee

The Stakeholders' Relationship Committee comprises four Members, of which three Members are Independent Directors. The Committee is governed by a Charter.

The terms of reference of the Committee are:

- to approve transfer/transmission of shares/ debentures and such other securities, as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/ debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- to issue and allot right shares/bonus shares pursuant to a rights issue/bonus issue, subject to such approvals as may be required;
- to oversee the implementation of ESOS scheme, if any, implemented by the Company;
- to issue and allot debentures, bonds, and other securities as approved by the Board of Directors and subject to such other approvals of the Regulators as may be required;

- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
- to authorize the Company Secretary & Head Compliance/other officers of the Share Department to attend to matters relating to:
  - transfer/transmission of shares, issue of duplicate share certificates for shares reported lost, defaced or destroyed, to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
  - non receipt of annual reports, notices, non receipt of declared dividend, change of address for correspondence etc. and to monitor action taken;
- to monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;
- to monitor expeditious redressal of grievances of shareholders/security holders and all other matters incidental or related to issue of shares, debentures and other securities if any of the Company;
- to review reports relating to grievances of investors, shareholding pattern and other reports which are to be submitted to the Stock Exchanges periodically in line with the requirements of the SEBI Listing Regulations;
- to review overall functioning of the Share Department;
- in line with the changes brought about to the SEBI Listing Regulations which are applicable from April 1, 2019, the scope of the Committee shall be widened to cover the following new areas:
  - review of measures taken for effective exercise of voting rights by shareholders;
  - review of adherence to the service standards adopted by the Company in respect of various services rendered by the in-house Share Department, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;
  - any other matters as may be assigned to the Committee by the Board of Directors from time to time.

The composition of the Stakeholders' Relationship Committee as at December 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Stakeholders' Relationship Committee			
		07.02.2018	17.04.2018	19.07.2018	17.10.2018
Mr Farrokh Kavarana, Chairman	Non Executive/ Independent	✓	✓	✓	Leave of Absence
Mr Shailesh Haribhakti	Non Executive/ Independent	✓	✓	✓	✓
Mr Arunkumar Gandhi	Non Executive/ Independent	✓	✓	✓	✓
Mr Neeraj Akhoury	Executive	✓	✓	✓	✓

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on June 13, 2018

Mr Ramaswami Kalidas, Company Secretary & Head Compliance, functions as the Compliance Officer.

During the year, 44 letters were received from shareholders, following up on their pending matters/ queries relating to transfers/transmission of shares, issue of duplicate share certificates and related matters. These letters were attended within a period of 30 days from the date of receipt, by the Company and as of December 31, 2018, all matters/queries were resolved.

All share transfer documents which were lodged with the Company duly complete in all respects were processed within the statutory period except for 19 share transfers which were received by the Company on December 31, 2018. These transfers have been subsequently processed within the statutory period.

Nomination and Remuneration (N&R) Committee - Mandatory Committee

The Nomination and Remuneration Committee is governed by a Charter. The Chairman of the Committee is an Independent Director and more than half the Members on the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does not chair the Meetings of the Committee.

The terms of reference of the Committee *inter alia*, include the following:

- Succession planning of the Board of Directors and Senior Management Personnel;
- Identifying and selecting candidates who are qualified for appointment as Directors/ Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to recommend to the Board of Directors their appointment and removal;
- Review the performance of the Board of Directors, and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company;
- To recommend to the Board of Directors the extension or continuance in office of the Independent Directors on the basis of the report of their performance evaluation.
- In line with the amendments made to the Listing Regulations, effective from April 1, 2019, the functions of the Committee shall be extended to recommend to the Board, all remuneration, in whatever form, which is payable to Senior Management.

The composition of the Nomination and Remuneration Committee as at December 31, 2018 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the N&R Committee Meetings held on	
		10.04.2018	12.12.2018
Mr Ashwin Dani, Chairman	Non Executive/ Independent	✓	Leave of Absence
Mr N S Sekhsaria	Non Executive/Non Independent	✓	✓
Mr Martin Kriegner	Non Executive/ Non Independent	✓	✓
Mr Shailesh Haribhakti	Non Executive/ Independent	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	Leave of Absence

The Chairman of the Committee was present at the Annual General Meeting of the Company held on June 13, 2018

Corporate Social Responsibility (CSR) Committee - Mandatory Committee

The Company has always been conscious of its obligations vis-a-vis the communities it impacts and has been pursuing various CSR activities long before these were mandated by law. As required under the Act, a Committee of the Board was constituted in 2013 to oversee and give direction to the Company's CSR activities.

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly includes:

- To review CSR projects with a view to ensure that they are in line with the CSR objectives and Policy of the Company and are aligned with Schedule VII of the Act;
- To have oversight for ensuring that CSR projects are designed, implemented and periodically

monitored based on "need assessment" of the communities;

- To review the annual CSR budget and recommend the same to the Board of Directors for approval;
- To approve the amount of expenditure to be incurred on the various CSR initiatives;
- Providing guidance in the manner in which the CSR projects undertaken by the Company could make an impactful intervention across the communities in which the Company operates.

The composition of the CSR Committee as at December 31, 2018 and the details of Members' participation at the Meetings of the Committee is as under:

Name of the Member	Category	Attendance at Corporate Social Responsibility Committee Meetings held on		
		17.04.2018	19.07.2018	03.12.208
Mr Shailesh Haribhakti, Chairman	Non Executive/ Independent	✓	✓	✓
Ms Falguni Nayar	Non Executive/ Independent	✓	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	Leave of Absence
Mr Neeraj Akhoury	Executive	✓	✓	✓

The Company's CSR Policy is comprehensive and is in alignment with the requirements of the Act and the United Nations Sustainable Development Goals. The CSR Policy can be accessed at the Company's website at http://www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf and the CSR Report forms part of the Board's Report.

Risk Management Committee - Mandatory Committee as per Listing Regulations

Business Risk Evaluation and Management is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize risks as also to identify business opportunities.

The Risk Management Committee was constituted by the Board of Directors in 2014. The Committee is governed by a charter and its objectives and scope broadly comprise of:

- Reviewing the Business Risk Management (BRM) Policy and framework in line with local legal requirements and SEBI Listing Regulations;
- Review risks trends, exposure, their potential impact analysis, and mitigation plans;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Reviewing the robustness of the risk management processes followed by the Management;

The composition of the Committee as at December 31, 2018 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Risk Management Committee Meetings held on	
		16.10.2018	03.12.2018
Mr Shailesh Haribhakti, Chairman	Non Executive/ Independent	✓	✓
Ms Falguni Nayar	Non Executive/ Independent	Leave of Absence	✓
Mr S K Roongta	Non Executive/ Independent	✓	✓
Mr Neeraj Akhoury	Executive	✓	✓

Compliance Committee - Non Mandatory Committee

Recognizing the importance of the Company being compliant with various laws and regulations which impact its business, the Board of Directors constituted the Compliance Committee in 2008. The Compliance Committee plays an important role in building a regime of "zero tolerance" to any form of non-compliance, which is a pre-requisite for a robust governance mechanism.

The terms of reference of the Committee broadly comprises of:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the Courts of law that may significantly affect the interests of the Company;
- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing compliance with all applicable statutes, rules and regulations based on reports received from the MD&CEO, Executive Committee Members and the Company Secretary & Head Compliance and to recommend corrective actions, if any, where required;
- reviewing significant legal cases filed by and against the Company to determine, *inter alia*, the probability of liabilities arising therefrom which are of a contingent nature.

The composition of the Compliance Committee as at December 31, 2018 and the details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Compliance Committee Meetings held on			
		07.02.2018	17.04.2018	19.07.2018	16.10.2018
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	✓	Leave of Absence
Mr Shailesh Haribhakti	Non Executive/ Independent	✓	✓	✓	✓
Mr S K Roongta	Non Executive/ Independent	✓	✓	✓	✓
Mr Neeraj Akhoury	Executive	✓	✓	✓	✓

SUBSIDIARY COMPANIES

The Company does not have any "material subsidiary" as defined in the SEBI Listing Regulations.

Accordingly, the requirement of appointing an Independent Director of the Company on the Board of Directors of the material unlisted subsidiary company as per Regulation 24 of the SEBI Listing Regulation does not apply.

The Company's policy on "material subsidiary" is placed on the company's website and can be accessed through weblink http://www.acclimited.com/sh/DMS.pdf

The Audited Annual Financial Statements and the Unaudited Quarterly Financial Statements along with the Auditors Limited Review thereon of Subsidiary Companies are tabled at the Meetings of the Audit Committee and Board of Directors of the Company for an overview prior to their consolidation with the Parent Company.

Copies of the approved Minutes of Nomination & Remuneration Committee and Audit Committee as applicable to the Subsidiary Company and the approved Minutes of the Board Meetings of all Subsidiary Companies are provided to the ACC Directors and tabled at the Board Meeting of the Parent Company.

DISCLOSURES

INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

RELATED PARTY TRANSACTIONS

All Transactions entered into by the Company during the year with related parties were in the ordinary course of business and on an arm's length pricing basis. These transactions are also subject to scrutiny by an external Independent Agency. The policy on related party transactions has been placed on the Company's website and can be accessed at http://www.acclimited.com/sh/RPT.pdf In line with the amended SEBI Listing Regulations, this Policy will be amended suitably effective from April 1, 2019.

LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place an on-line legal compliance management tool, which is devised to ensure compliance with all applicable laws which impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company.

CONFIRMATION BY THE BOARD OF DIRECTORS' ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES

In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

STRICTURES AND PENALTIES

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

CODE OF BUSINESS CONDUCT

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and to all employees. The Company follows a policy of "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti -Bribery & Corruption Directive" which forms an Appendix to the above Code. The Code has been posted on the Company's website www.acclimited.com

The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Management Staff were required to complete an e-learning module on the above subject, in addition to the face-to-face training conducted by the Compliance team of the Company from time to time.

FAIR COMPETITION DIRECTIVE PROGRAMME

Fair Competition Directive programme which was earlier known as Value Creation in Competitive Environment (VCCE) was introduced in the Company as early as 2008 and the Company has been carrying out extensive training sessions for creating awareness among relevant employees on fair competitive practices.

Under the fair competition programmes, training sessions are conducted on an annual basis for the concerned employees of the Company, particularly those in sales and purchase functions, on various aspects of competition law and on behavioral aspects for ensuring fair competition in the market place. E-Learning training is imparted to all such employees in addition to face-to-face training and includes a specific module on "Do's and Don't's" in a tender bidding process.

In addition to the above, the processes of the Company are subject to periodic reviews and where required, are being further strengthened.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has an "EthicalView Reporting" (EVR) Policy to deal with instances of fraud and mis-management, if any. The EVR Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also ensures that no discrimination is meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline "ACC Ethics Helpline" has been set-up which is managed by an independent professional organization. The Ethics Helpline can be contacted to report on any suspected or confirmed incident of fraud/misconduct on:

- E-Mail: acc@ethicalview.com
- Online reporting on https:integrity.lafargeholcim.com
- National Toll Free Number: 18002092008
- Fax Number: +91(22) 66459575
- Address: PO Box 137, Pune 411 001

A Committee consisting of Senior Employees has been constituted which looks into the complaints raised and recommends appropriate action where necessary. The Committee reports to the Audit Committee which in turn apprises the Board on such matters as may be necessary.

PREVENTION OF INSIDER TRADING

Pursuant to SEBI Listing Regulations, the Company has formulated the "Code of Internal Procedures and Conduct for Regulating, Monitoring And Reporting of Trading by Insiders" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (ACC Code) which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed.

The Company Secretary & Head Compliance is responsible for implementation of the ACC Code.

The Board of Directors, designated employees and connected persons have affirmed compliance with the ACC Code.

In line with the amendments introduced recently by SEBI, the above Code will be amended suitably to align it with the amendments which are effective from April1, 2019.

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications viz. through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and placing relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year, as required under SEBI Listing Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board Meetings at which these are considered and approved. The results are published in leading English daily newspapers and the Marathi translation of the same is published in leading Marathi daily newspapers.

The audited financial statements form a part of the Annual Report which is sent to the Members within the statutory period and in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/half yearly and the annual audited financial statements and the press releases of the Company are also placed on the Company's website: www.acclimited.com and can be downloaded.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company discloses to the Stock Exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations including material information which have a bearing on the performance/operations of the Company or which is price sensitive in nature. All information is filed electronically on BSE's on-line Portal – BSE Listing Centre (Listing Center) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges. An internal Management Committee comprising the MD&CEO, the Chief Financial Officer and the Company Secretary & Head Compliance has been constituted and empowered to decide on the materiality of information for the purpose of making disclosure to the Stock Exchanges. The policy on the above is being modified in line with the amendments made to the SEBI Listing Regulations which are effective from April1, 2019.

Disclosures made to the Stock Exchanges are also made available on the Company's website under the heading 'Announcements' and can be accessed through weblink http://www.acclimited.com/an

Facility has been provided by SEBI for investors to place their complaints/grievances on a centralized web-based complaints redress system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: centralized database of all complaints, on-line upload of Action Taken Reports (ATRs) by the concerned companies and on-line viewing by investors of actions taken on the complaints and their current status.

A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends and details of shares transferred to Investor Education & Protection Fund Authority – Ministry of Corporate Affairs.

Quarterly compliance reports and other relevant information of interest to the investors are also placed under the Corporate Governance Section on the Company's website.

The Company also uploads on the BSE Listing Centre and on NSE's NEAPS portal, details of analysts and institutional investor meetings which are either held by the Company or in which the Company participates.

Reminders to shareholders are sent for enabling them to claim returned undelivered share certificates, unclaimed dividend etc.

COMPLIANCE WITH NON-MANDATORY PROVISIONS

The status with regard to compliance by the Company with discretionary requirements as listed out in Part E of Schedule II of SEBI Listing Regulations is as under:

- The position of the Chairman of the Board of Directors and that of the Managing Director & Chief Executive Officer are separate.
- Chairman's office is separate from that of the Managing Director & Chief Executive Officer.
- The audit report on the Company's Financial Statements for the year ended December 31, 2018 is unmodified.
- The Chief Internal Auditor reports directly to the Audit Committee.

- The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication".

GENERAL INFORMATION TO SHAREHOLDERS

Annual General Meeting

Date	: Friday, March 22, 2019
Time	: 3.00 P.M.
Venue	: Pama Thadani Auditorium, Jai Hind College, "A" Road, Churchgate, Mumbai 400 020
Financial Year	: January - December, 2018
Dividend Payment Date	: March 28, 2019, if declared

Investor Services

The Company has an in-house Share Department located at its Registered Office which offers all share related services to its Members and Investors. These services include transfer/transmission/ dematerialization of shares/payment of dividends/sub-division/consolidation/ renewal of share certificates and resolutions of investor grievances.

The Company is registered with SEBI as a Registrar to an Issue/Share Transfer Agent in Category II Share Transfer Agent and the Registration Code is INR000004124.

Address for Correspondence with the Company

ACC Limited
Share Department
"Cement House"
121, Maharshi Karve Road, Mumbai 400020
Telephone No.: (022) 33024469
Communication by E-mail: sujata.chitre@acclimited.com

Communication by Members

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account/s for queries relating to shareholding, updation of change of address, updation of bank details for electronic credit of dividend. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be addressed to the Company.

Members who hold shares in physical form should address their requests to the Company for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewal/split/ consolidation of share certificates, issue of duplicate share certificates and such requests should be signed by the first named Member, as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as proof of identity and/or address as considered appropriate in addition to the requirement of certified copies of PAN cards.

Members are requested to state their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their E-mail addresses and telephone numbers to facilitate prompt response from the Company.

Exclusive E-Mail ID & Toll Free Number

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is ACC-InvestorSupport@acclimited.com

The Company has also set up a toll free number 1800-3002-1001 to facilitate the Members/Investors to contact the Company. The toll free services will be available on all working days during the office hours except Saturdays, Sundays and all public holidays of the Company from 9.15 a.m. till 5.00 p.m.

Plant Locations

The locations of the Company's Plants are given on the inside cover page of the Annual Report. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website.

MARKET INFORMATION

Listing on Stock Exchanges

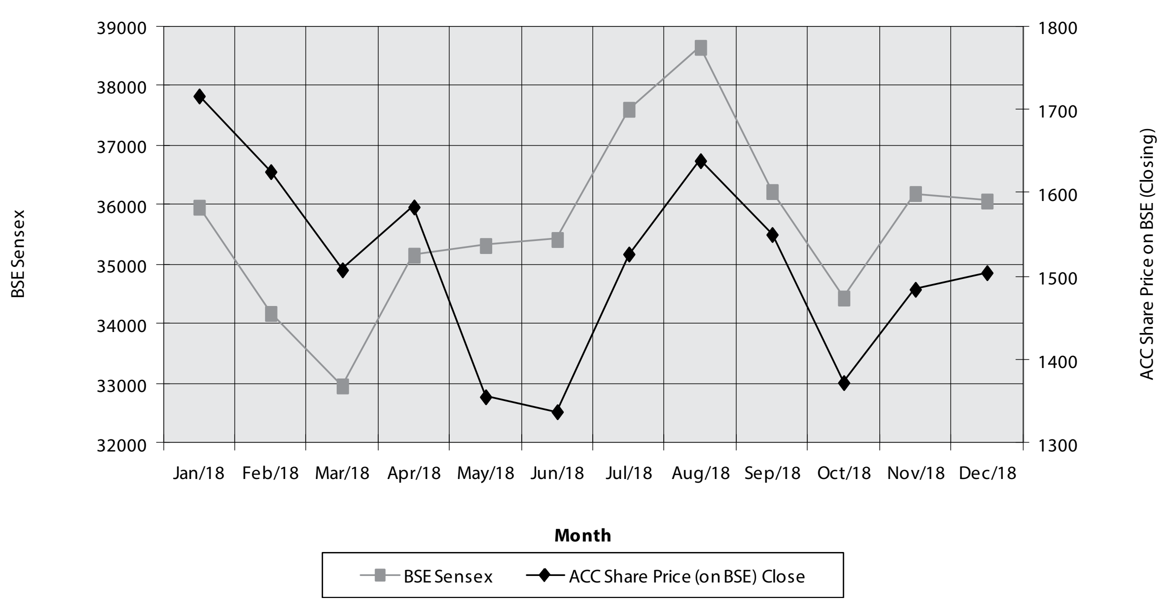
The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been duly paid to the Exchanges:

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	500410	INE012A01025
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	ACC	

ACC Share Price on BSE vis-à-vis BSE Sensex January-December 2018

Month	BSE Sensex Close	ACC Share Price High ₹	ACC Share Price Low ₹	ACC Share Price Close ₹	No. of shares traded during the month	Turnover (₹) crores
January 2018	35965.02	1856.00	1702.00	1716.40	1000377	181.05
February 2018	34184.04	1745.15	1562.65	1625.80	327759	53.95
March 2018	32968.68	1641.00	1503.30	1508.20	244297	38.15
April 2018	35160.36	1621.50	1500.00	1583.50	289216	45.19
May 2018	35322.38	1594.50	1291.95	1356.20	485282	66.94
June 2018	35423.48	1400.00	1261.00	1338.30	559565	73.83
July 2018	37606.58	1551.25	1255.00	1527.15	1507091	216.84
August 2018	38645.07	1670.00	1500.50	1638.90	587624	93.09
September 2018	36227.14	1676.00	1441.85	1550.50	572239	89.79
October 2018	34442.05	1588.05	1322.20	1373.20	1958640	270.32
November 2018	36194.30	1528.70	1378.05	1484.90	495391	72.39
December 2018	36068.33	1572.95	1369.70	1504.80	594695	89.00

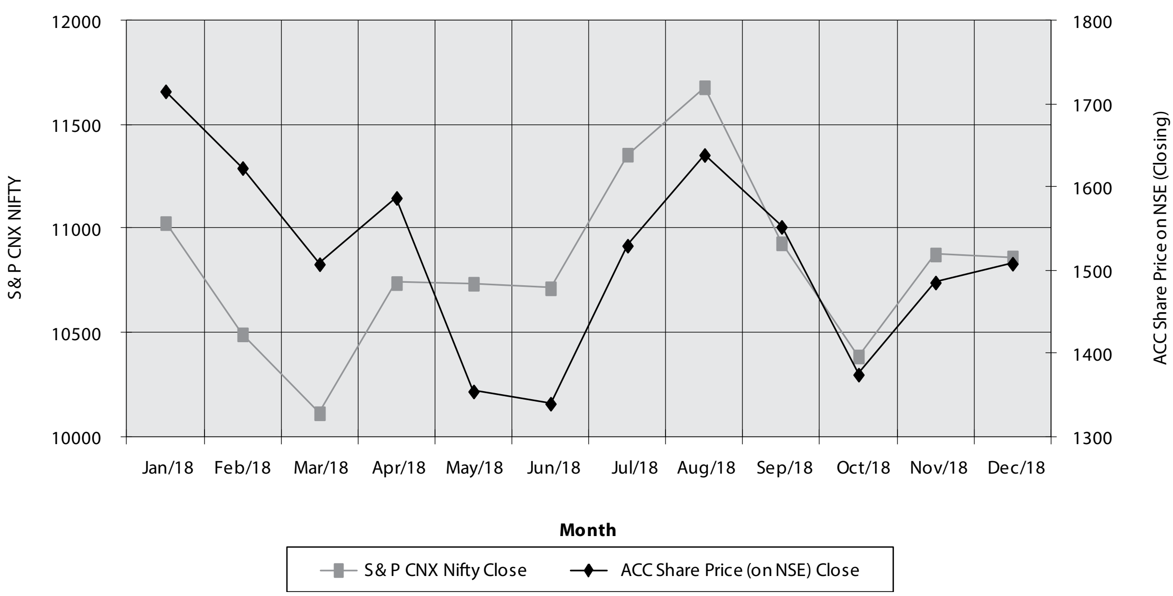
ACC Share Price on BSE & BSE Sensex



ACC Share Price on NSE vis-à-vis S&P CNX Nifty January - December 2018

Month	S&P CNX Nifty (Close)	ACC Share Price			No. of shares traded during the month	Turnover ₹ Crore
		High ₹	Low ₹	Close ₹		
January 2018	11027.70	1857.45	1700.05	1715.25	6313022	1130.00
February 2018	10492.85	1744.85	1565.00	1623.05	7458451	1226.85
March 2018	10113.70	1642.90	1498.95	1507.50	5458094	849.42
April 2018	10739.35	1629.00	1509.40	1587.15	5997525	937.40
May 2018	10736.15	1595.30	1290.00	1354.60	13366347	1838.01
June 2018	10714.30	1371.00	1260.15	1339.90	11839573	1557.94
July 2018	11356.50	1552.00	1255.65	1529.75	21501084	3067.29
August 2018	11680.50	1669.55	1499.05	1638.75	13294208	2114.12
September 2018	10930.45	1678.90	1433.05	1552.35	11820084	1858.07
October 2018	10386.60	1588.20	1322.55	1374.80	19262126	2761.73
November 2018	10876.75	1528.00	1378.10	1485.50	11681615	1711.02
December 2018	10862.55	1573.00	1385.00	1508.10	11323549	1690.30

ACC Share Price on NSE & S&P CNX NIFTY



SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

i. Share Transfers

Share Transfer Forms (SH-4) for shares held in physical mode which are received by the Company, complete in all respects are promptly processed and the share certificates are returned to the transferees within a period of fifteen days from the date of receipt of transfer. Share transfer forms which are incomplete or cases where the Company has noticed irregularities in the document are immediately returned to the transferees by registered post.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 amended Regulation 40 of SEBI Listing Regulations pursuant to which after December 5, 2018 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline has been extended by SEBI to April 1, 2019.

Pursuant thereto, the Company has sent letters to those shareholders holding shares in physical form advising them to dematerialize their holding.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

ii. Nomination facility for shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

iii. Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Members attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018 pursuant to which the Company has written to shareholders holding shares in physical form requesting them to furnish details regarding their PAN as also their bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.

iv. Subdivision of shares

The Company had subdivided the face value of its Equity Shares from ₹100 to ₹10 in the year 1999. The old shares having face value of ₹100 are no longer tradable on the Stock Exchanges. Members still holding share certificates of the face value of ₹100 are requested to send the certificates to the Share Department of the Company for exchange with shares of the face value of ₹10 each.

v. Dividend

a. Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

b. Unclaimed Dividends

The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years from the date, the dividend has become due for payment to the Investor Education & Protection Fund (IEPF) established by the Government. Accordingly, during the financial year 2019, unclaimed dividends pertaining to the following periods will be transferred to IEPF:

- 74th Final Dividend for the year ended December 31, 2011.
- 75th Interim Dividend for the year ended December 31, 2012.

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those Members whose unclaimed dividends are due for transfer so as to enable them to claim the dividends before the due date for such transfer. The information on unclaimed dividend is also posted on the website of the Company www.acclimted.com.

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the bankers to the dividend accounts opened by the Company for the earlier years have credited back the amount of dividend lying unpaid beyond the validity period into the relevant bank accounts. The Company is in the process of reconciling the above accounts for necessary action.

The dates by which the dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per share (₹)	Due date for transfer to IEPF
31.12.2011 (74th Final)	28.03.2012	17.00	01.06.2019
31.12.2012 (75th Interim)	26.07.2012	11.00	29.09.2019
31.12.2012 (75th Final)	05.04.2013	19.00	09.06.2020
31.12.2013 (76th Interim)	25.07.2013	11.00	28.09.2020
31.12.2013 (76th Final)	09.04.2014	19.00	13.06.2021
31.12.2014 (77th Interim)	24.07.2014	15.00	27.09.2021
31.12.2014 (77th Final)	20.03.2015	19.00	24.05.2022
31.12.2015 (78th Interim)	17.07.2015	11.00	20.09.2022
31.12.2015 (78th Final)	13.04.2016	6.00	17.06.2023
31.12.2016 (79th Interim)	26.07.2016	11.00	29.09.2023
31.12.2016 (79th Final)	29.03.2017	6.00	02.06.2024
31.12.2017 (80th Interim)	17.07.2017	11.00	21.09.2024
31.12.2017 (80th Final)	13.06.2018	15.00	18.08.2025

c. Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven consecutive years or more)

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF.

Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF

With effect from September 7, 2016, Investors/Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

i. Download the Form IEPF-5 from the website of IEPF (http://www.iepf.gov.in) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit alongwith the e-form carefully before filling the form.

ii. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

iii. Take a print out of the duly filled Form No.IEPF-5 and the acknowledgement issued after uploading the form.

iv. Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form along with other documents as mentioned in the Form No.IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority" / "Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

v. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr Naresh Motiani whose e-mail id is naresh.motiani@acclimited.com

vi. Dealing with securities which have remained unclaimed

Regulation 39(4) of SEBI Listing Regulations read with Schedule VI "Manner of dealing with Unclaimed Shares", had directed Companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

The details of operations of the demat "Unclaimed Suspense A/c" of ACC Limited during the year are as under:

Particulars	No. of shareholders	No. of shares
Aggregate no. of shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01.01.2018	1925	195454
Number of shareholders/legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents	12	810
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	1303	78710
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on 31.12. 2018	610	*115934

*Voting rights in respect of the aforesaid 115934 shares held in the Unclaimed Suspense A/c are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names.

As on December 31, 2018, 30 claimants have lodged claims with the Company reclaiming in the aggregate of 5,020 shares which have been transferred in to the Unclaimed Suspense A/c of ACC Limited. The Company is yet to receive necessary documentation from these claimants.

vii. Pending Investors' Grievances

Any Member/Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary & Head Compliance at the Registered Office with a copy of the earlier correspondence, if any.

viii. Reconciliation of Share Capital Audit

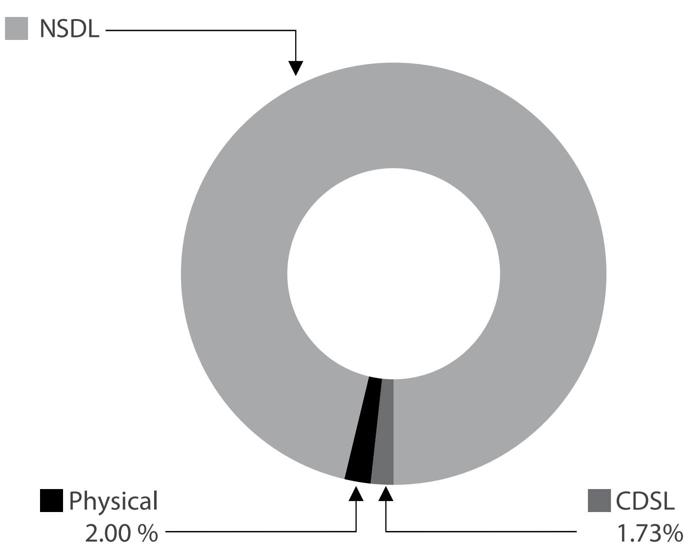
As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and The National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

Distribution of shareholding as on 31st December, 2018

No. of shares slab	No. of share-holders	%	No. of Shares							
			Physical	% of share capital	NSDL	% of share capital	CDSL	% of share capital	Total No. of Shares	% of share capital
1-50	61793	62.22	154340	0.08	685820	0.37	242494	0.13	1082654	0.58
51-100	12176	12.26	165322	0.09	659490	0.35	178028	0.09	1002840	0.53
101-200	9004	9.07	263853	0.14	873300	0.47	216565	0.12	1353718	0.72
201-500	8149	8.21	509972	0.27	1796253	0.96	386646	0.21	2692871	1.43
501-1000	3988	4.02	459272	0.24	2032200	1.08	407062	0.22	2898534	1.54
1001-5000	3473	3.50	1034275	0.55	5085947	2.71	931357	0.50	7051579	3.76
5001-10000	359	0.36	336337	0.18	1834433	0.98	331570	0.18	2502340	1.33
>10000	373	0.38	834295	0.44	167819604	89.37	548828	0.29	169202727	90.10
Total	99315	100.00	3757666	2.00	180787047	96.27	3242550	1.73	187787263	100.00

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories.

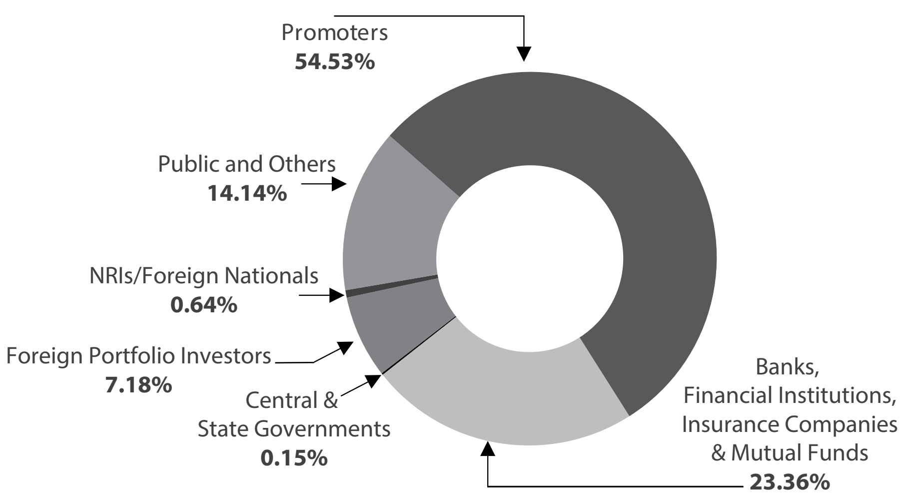
DISTRIBUTION OF SHAREHOLDING AS ON DECEMBER 31, 2018



Shareholding Pattern as on 31st December, 2018

Category	No. of Shares held	%	
Promoter			
i. Ambuja Cements Limited	93984120	50.05	54.53
ii. Holderind Investments Ltd.	8411000	4.48	
Banks, Financial Institutions, Insurance Companies & Mutual Funds			
i. Banks	571830	0.30	23.36
ii. Financial Institutions	22137431	11.79	
iii. Insurance Companies	4401283	2.34	
iv. Mutual Funds	16762376	8.93	
Central & State Governments	287815		0.15
Foreign Portfolio Investors	13483478		7.18
NRIs / Foreign Nationals	1204802		0.64
Directors	0		0.00
Public and Others	26543128		14.14
TOTAL	**187787263**		**100.00**

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2018



Statement showing Shareholding of more than 1% of the Capital as on December 31, 2018

Sr. No.	Names of the shareholders	Number of shares	Percentage of Capital
1	Ambuja Cements Limited (Promoter)	93984120	50.05
	Holderind Investments Ltd (Promoter)	8411000	4.48
2	Life Insurance Corporation of India	19405142	10.33
	TOTAL	**121800262**	**64.86**

Global Depository Receipts (GDR) or any Convertible instrument, conversion dates and likely impact on Equity

NIL

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have any exposure to commodity price risk. However, foreign exchange exposure risks have not been hedged by any derivative instrument or otherwise.

Particulars of past three Annual General Meetings

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
82nd	Calendar Year 2017	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	13.06.2018	3.00 p.m.	No Special Resolution was passed
81st	Calendar Year 2016		29.03.2017	3.00 p.m.	No Special Resolution was passed
80th	Calendar Year 2015		13.04.2016	3.00 p.m.	Special Resolution for adoption of Articles of Association was passed

Extraordinary General Meeting (EGM)

No Extraordinary General Meeting was held during the period under reference.

Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

Pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Notice dated February 26, 2018 was sent to the Members seeking their approval through Postal Ballot for passing of an Ordinary Resolution for approval for Related Party Transactions with Ambuja Cements Limited. Ambuja Cements Limited and Holderind Investments Limited being "related parties" of the Company under the Companies Act and SEBI Listing Regulations, abstained from voting on the said Resolution as stipulated under Regulation 23(7) of the SEBI Listing Regulations. Mr Pramod S Shah, Managing Partner of M/s Pramod S Shah & Associates, Practicing Company Secretaries (Scrutinizer) conducted the postal ballot process.

Particulars	Number of Ballots	Number of Votes	% of Votes
Total Postal Ballot Forms received	1671	51843405	100
Less: Invalid Forms received	169	30971	0.06
Net valid Postal Ballot Forms received	1502	51812434	99.94
Postal Ballot Forms with assent for the Resolution	1307	48569705	93.69
Postal Ballot Forms with dissent for the Resolution	195	3242729	6.25

The Ordinary Resolution as per Notice dated February 26, 2018 for the approval for Related Party Transactions with Ambuja Cements Limited was accordingly passed with the requisite majority.

FINANCIAL CALENDAR 2018:

Board Meeting for consideration of Accounts for the financial year ended December 31, 2018 and recommendation of dividend	February 5, 2019
Posting of Annual Reports	On or before February 25, 2019
Book Closure Dates	March 7, 2019 to March 12, 2019 (both days inclusive)
Last date for receipt of Proxy Forms	March 20, 2019 before 3.00 p.m.
Date, Time and Venue of the 83rd Annual General Meeting	March 22, 2019 at 3.00 p.m. Pama Thadani Auditorium, Jai Hind College, "A" Road, Churchgate, Mumbai 400 020
Dividend Payment Date	March 28, 2019
Probable date of despatch of warrants	On or before March 27, 2019
Board Meeting for consideration of unaudited quarterly results for the financial year ended December 31, 2019	Within forty five days from the end of the quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges
Audited results for the current financial year ending December 31, 2019	Within sixty days from the end of the last quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges

For and on behalf of the Board

N S Sekhsaria
Chairman

Mumbai
February 5, 2019

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended December 31, 2018.

For ACC Limited

Mumbai:
February 5, 2019

Neeraj Akhoury
Managing Director & Chief Executive Officer

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER (MD&CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of ACC Limited ("the Company") to the best of our knowledge and belief certify that:

a. We have reviewed Financial Statements and the Cash Flow statement for the financial year ended December 31, 2018 and that to the best of our knowledge and belief, we state that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Business Conduct.

c. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct as adopted by the Company.

d. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the year;

   ii. significant changes, if any, in the accounting policies during the year and that the same has 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 significant role in the Company's internal control system over the financial reporting.

Yours faithfully

Neeraj Akhoury
Managing Director & Chief Executive Officer

Sunil Nayak
Chief Financial Officer

Mumbai
February 5, 2019

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of ACC LIMITED

1. This Certificate is issued in accordance with the terms of our engagement letter dated June 29, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **ACC LIMITED** ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's 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 Corporate Governance stipulated in the 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 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 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, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B.P.Shroff
Partner
(Membership No. 034382)

Place : Mumbai
Date : February 5, 2019

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN)**	: L26940MH1936PLC002515
2.	**Name of the Company**	: ACC Limited
3.	**Registered Address**	: Cement House 121, Maharshi Karve Road Mumbai 400 020
4.	**Website**	: www.acclimited.com
5.	**E-mail id**	: brr.info@acclimited.com
6.	**Financial Year reported**	: Financial Year ended December 31, 2018

7. Sector(s) that the Company is engaged in (industrial activity code wise):

Group	Class	Sub class	Description
239	2394	23941	Manufacture of Clinker and Cement

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

The Company manufactures different varieties of cement viz. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC), Composite Cement and Ready Mix Concrete (RMX)

9. Total number of locations where business activity is undertaken by the Company:

i.	**Number of international locations**	:	Nil
ii.	**Number of national locations**	:	17 cement plants, 75 Ready Mix Concrete Plants, and 27 offices including Registered Office, Regional Offices and Sales Offices

10. Markets served by the Company : Pan India across all markets.

Section B: Financial Details of the Company

1.	**Paid up capital (INR)**	: ₹ 187.79 Crore
2.	**Total turnover (INR)**	: ₹ 14,477.47 Crore
3.	**Total profit after taxes (INR)**	: ₹ 1,506.63 Crore

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is 2.09% of the average profit after taxes in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred:

Livelihood

a. ACC DISHA - for Youth Employability

b. ACC Swawlamban - focusing on women empowerment and livelihood

c. ACC LEISA - for Farmers' Livelihood (Low External Input Sustainability Agriculture)

Education

d. ACC VidyaUtkarsh (Quality of Education in Government Schools)

e. ACC VidyaSarthi (Scholarship for Students)

WASH (Water, Sanitation and Health)

f. ACC Arogyam (Preventive, Promotive and Curative health care)

g. ACC Sampurna Swachhata (Towards open defecation free villages)

Conservation of Environment

h. ACC Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water Conservation)

Promoting Local Arts and Culture

i. ACC Drona (To promote rural sports and traditional Indian culture)

Section C: Other Details

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

Yes, the Company has 5 subsidiaries, viz:

a. ACC Mineral Resources Limited

b. Bulk Cement Corporation (India) Limited

c. Lucky Minmat Limited

d. National Limestone Company Private Limited

e. Singhania Minerals Private Limited

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

Business Responsibility initiatives of the parent company are applied by Bulk Cement Corporation (India) Limited, the Company's Subsidiary. While Singhania Minerals Private Limited is operational from the previous year only, the remaining three Subsidiaries are inoperative.

3. Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with participate in the BR initiatives of the Company? If yes then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

CSR initiative "ACC ki Laadli" under the Vidya Utkarsh project is a flagship education initiative of ACCs in Northern and Eastern India. In partnership with a NGO, this initiative has been undertaken to establish learning centres for girl children in the age groups of 6-14 years. ~1,380 girl children, especially those who have dropped out of schools and belong to the marginalized and deprived sections of the society have been enrolled in these schools and provided quality primary education. The aim is to mainstream these girls, and prepare them to take the class V exam at the State level.

The Project receives contributions from ACC Cement Dealers in the North Region in the form of "Lakshya points" secured by them in appreciation of their achievements of business targets from ACC. The points are then redeemed as financial inputs into this project.

The project implementation started in October 2013. So far 50 learning centres have been set up in different parts of Uttar Pradesh, Himachal Pradesh, Madhya Pradesh, Punjab, Rajasthan, Haryana, Uttarakhand and Bihar. Educating needy girls at these centres has been in progress since inception of the project.

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**

Details of the Director / Directors responsible for implementation of the BR policy / policies:

Director Identification Number (DIN): 07419090

Name: Mr Neeraj Akhoury

Designation: Managing Director and Chief Executive Officer

Details of the BR head:

Sr. No	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr Ramaswami Kalidas
3	Designation	Company Secretary and Head Compliance
4	Telephone Number	(022) 3302 4321 / 3302 4255
5	E mail Id	brr.info@acclimited.com

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

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well- being of all employees

P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr No	Questions	Business Ethics	Product Responsibility	Well being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y. The policy is embedded in the Company's quality & environment policies which inter-alia relate to manufacture of safe and sustainable products	Y	Y	The policy is embedded in the Company's Code of Business Conduct, HR Policies & other HR practices	Y	N	y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	-	Y	-
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y. Bureau of Indian Standards (BIS)	Y	Y. This policy conforms to the provisions of the Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-	Y. This policy conforms to the MoEF guidelines of Corporate Environment Responsibility under EIA Notification, 2006	-	Y. Policy conforms to provisions of the Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-

Sr No	Questions	Business Ethics P1	Product Responsibility P2	Well being of Employees P3	Stakeholder Engagement & CSR P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	-	N	Y	-	Y	-	Y	-
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y. At Executive Committee Meetings	Y	Y	-	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	*	-	-	***	-	Y.**	-	***	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	Y	-	Y	-

Sr No	Questions	Business Ethics P1	Product Responsibility P2	Well being of Employees P3	Stakeholder Engagement & CSR P4	Human Rights P5	Environment P6	Public Policy P7	CSR P8	Customer Relations P9
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	-	Y	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	The Company has a redressal mechanism to address product related complaints through customer complaint portal	Y	Y		Y	-	Y	-
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y. The implementation of the policy is subject to an Independent review by the Statutory Auditors and also has an oversight mechanism from the ultimate parent Company	-	N	Y	-	Y	-	Y	-

* http://www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

** http://www.acclimited.com/assets/new/new_pdf/environment.pdf

** *http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28-Nov-2016-Board-CSR-Committee-meeting.pdf

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	--	--	--	--	--	--	--	--	--
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	The Company has a track record of pioneering achievements, sustained experience and leadership position which has benefitted the cement industry at large in initiating dialogue with Government. However, no need for a formal policy has been felt.	--	The Company has a systematic process of assessing customer needs fulfilling them with innovative products and services. It also has a customer complaint redressal system.

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

3 to 6 months

Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?:

Yes, the Company publishes its Sustainability Report annually. An electronic version of the report is also uploaded on the Company's website to serve as a web version. This report constitutes the Company's seventh Business Responsibility Report. The hyperlink for viewing the Sustainability Report of the Company is as under:

http://www.acclimited.com/assets/new/pdf/2017-ACC-SD-Report-25-Jul-2018.pdf

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

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

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct (along with Anti- Bribery and Corruption Directive) and a vigil mechanism named EthicalView Reporting Policy that has been approved by the Board of Directors. These are applicable to all Directors and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees. The Anti-Bribery and Corruption Directive and the EthicalView Reporting Policy also extend to the Company's business partners viz. vendors/service providers/customers. The Code is available on the Company's website at this web address http://www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

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

The Company received 67 complaints under the EthicalView Reporting Policy, out of which 33 were resolved and the balance 34 complaints are under various stages of investigation and completion.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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

1. **Blended cements:** The Company manufactures Blended cements viz. Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) which are environmentally more friendly than the conventional OPC. Industrial wastes such as flyash and slag, which are otherwise not environmental friendly are suitably used in the manufacture of PPC and PSC which result in partial replacement of virgin limestone and reduction of associated CO_2 emissions. ACC has started manufacturing environment friendly composite cements which use both slag and fly ash in 2018 in Bargarh, Jamul, Sindri, Damodar and Kudithini plants.
2. **Co-processing services**: The Company provides waste management solutions, under the brand name of 'Geocycle', to waste generating industries and organizations in the country through co-processing of wastes in cement kilns. This not only ensures a safe and environmentally sustainable solution for the disposal of hazardous and non-hazardous wastes but it also results in creating environmental and social benefits such as resource conservation, reduction of Green House Gas(GHG) emissions, local employment, etc.
3. **Green Building Centers**: "Green Building Centers" is the Company's initiative to facilitate low-cost housing development in India, by promoting sustainable materials, building techniques and locally trained workforce. The production of green building materials is carried out in a modern production environment with main emphasis on Quality and Service. The Green Building Centers have positively impacted the climate, water and nature as well as the communities at large. The impact on the environment can be easily measured by reduction in CO_2 emission, fertile top soil conservation and utilization of waste materials.

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

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

Consumption per unit of production	Current Year (January – December 2018)	Previous Year (January – December 2017)
Electrical Energy (kWh/ Tonne of Cement)	81.10	84.33
Thermal Energy (K Cal / kg of Clinker)	741	742
CO_2 Emissions (kg CO_2 / Tonne of Cement)	505	525

ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company's products do not have any broad based impact on energy during usage phase. However, as the cement manufacturing process is energy intensive, the Company takes several measures to reduce thermal and electrical energy consumption in its manufacturing process.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company has all its manufacturing plants close to limestone mines which helps minimize transportation of the primary raw material. The Company deploys sustainable mining practices. Most bulk materials are transported inward by rail. Blended Cements are manufactured using flyash / slag which are by-products / wastes of other industries. Fly ash and slag are not environmental friendly and need to be disposed off in a careful manner. In the manufacture of clinker, the Company utilizes Alternative Fuel and Raw Materials (AFR) which help it to conserve natural resources. The Company encourages procurement through vendors who adopt sustainable practices.

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

Yes, the Company has a policy of procuring goods and availing services like horticulture, housekeeping etc. from nearby suitable sources of supply.

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

The cement manufacturing process does not directly discharge any significant effluent or waste. ACC has the facility of consuming used and torn cement bags as Alternate Fuel in some of the manufacturing units. As the location of cement plants are far away from markets, a very low percentage of used bags get recycled at the Plants. About 85% of cement manufactured by the Company comprises blended cement which is produced using slag and fly ash which are wastes from other industrial processes. Recognizing the urgent need to address global problems of increasing paucity of fossil fuels and rampant practices of unsustainable waste disposal, the Company has pioneered the use of industrial, municipal and agricultural wastes as Alternative Fuels and Raw Materials (AFR) in India.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate total number of employees:**

Sr. No.	Category of Employees	No. of Employees
1.	Management Staff	3829
2.	Shop Floor Associates	2888
	Total	**6717**

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

Sr. No.	Category of Employees	No. of Employees
1.	Third Party FTE	8312
2.	Casual Employees	14
	Total	**8326**

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

Number of permanent women employees: 262

4. **Please indicate the number of permanent employees with disabilities.**

   Number of permanent employees with disabilities: 15

5. **Do you have an employee association that is recognized by the Management?**

   Yes, there are recognized trade unions which are affiliated to various central trade union bodies. Company's Shop Floor Associates and Office Associates are members of their respective unions.

6. **What percentage of permanent employees are members of this recognized employee association?**

   Approximately 43% of permanent employees are members of recognized employee associations.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What Percentage of under mentioned employees were given safety and skill up-gradation training in the last year?**

   A. Permanent employees : 65%

   B. Permanent women employees : 65%

   C. Casual/Temporary/Contractual employees : 100%

   D. Employees with disabilities : NIL

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

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

   Yes, the Company has mapped its stakeholders through materiality matrix as a part of its stakeholder engagement strategy development process.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders with the help of Participatory Rural Appraisal tool based on village micro plan and secondary socio-demographic data of the community.

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

   Yes, all CSR interventions of the Company are intended to target the disadvantaged, vulnerable and marginalized stakeholders. For instance the education projects of Company are largely focused on government schools situated in remote rural pockets of India. The scholarship initiative of the Company named VidyaSaarathi which has been rolled out in 14 districts in 11 States of India, across the Company operations for disadvantaged students who need financial support to pursue their dreams of higher education.

   The Company continues to run two Anti-Retroviral Therapy (ART) centers to support people affected by HIV/AIDS through medical treatment and counselling. The Company has also supported patients by organizing them in Self Help Groups and through life skills development programmes and providing nutrition support to HIV infected as well as affected family members. Moreover, quality education is also being provided to school going children from the affected families.

The Company has enhanced access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administration for promoting national campaigns on Open Defecation Free, Skilling and Water Conservation measures.

The Company continues to engage with the vulnerable and marginalized stakeholders for their sustainable livelihood. skills training to youth, low external sustainable agriculture projects for farmers, institutionalizing women SHG registered federations and achieving open defecation free villages are some of the accomplishments during the year 2018.

Principle 5: Businesses should respect and promote human rights

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

   All aspects of the human rights are in-built and covered under the Code of Business Conduct as well as in various human resource practices/policies.

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

   Nil

Principle 6: Businesses should respect, protect and make efforts to restore the environment

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

   The Company's Corporate Environment Policy extends to cover the Company and its subsidiaries.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyper-link for webpage etc.**

   Yes, the Company is committed to reduce GHGs emissions and has identified five key levers to achieve the reduction of GHGs:

   - Clinker substitution by making Blended Cements
   - Alternative Fuel and Raw Materials (AFR);
   - Thermal and electrical energy efficiency;
   - Increased renewable energy utilization
   - Waste heat recovery (WHR) and
   - Newer technologies and renewable energy through own assets as well as Open Access

   This information is available in our webpage: http://www.acclimited.com/sustainable/environment-and-energy

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

   Yes, the Company has a mechanism to identify and assess potential environmental risks at plant level as well as corporate level. Potential Environmental risks also form a part of Business Risk Management Model, where all business related risks are identified and their mitigation strategies and plans are worked upon. For details, Please refer to BRM section of the Annual Report.

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

   Yes, the Company has three registered projects under the Clean Development Mechanism(CDM) and Environmental Compliance Report (Validation & Verification Reports) have been filed and Certified Emission Reductions Reports were issued.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Y/N. If yes, provide hyper-link to web page etc.

Yes, we have made significant strides in attaining energy efficiency in our cement plants/ captive power plants by following initiatives:

1. Three wind farms – one each in Maharashtra, Tamil Nadu and Rajasthan with total capacity of 19 MW
2. Solar power procurement through open access
3. Waste Heat Recovery System (WHRS) at Gagal Cement Works
4. Waste Co-processing in cement plants.
5. Various energy efficiency improvement initiatives in operations

   Details on the above initiatives can be seen at the link: http://www.acclimited.com/sustainable/environment-and-energy

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Company were all within the permissible limits given by CPCB/SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Few of our plants received show cause notices from CPCB / SPCB. However all notices were addressed to the satisfaction of respective regulatory authorities and no cases were pending as at the end of FY 2018.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

The Company is a Member of:

1. Confederation of Indian Industries (CII)
2. Federation of Indian Chambers of Commerce and Industry (FICCI)
3. IMC Chamber of Commerce and Industry
4. Federation of Indian Mineral Industries (FIMI)
5. National Safety Council (NSC)
6. Swiss India Chamber of Commerce.

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

Yes, the Company advocates through the above associations on the following broad areas which impact the Cement Industry:

i. Sustainable Mining Practices

ii. Co-processing of municipal & industrial hazardous & non hazardous wastes

iii. Sustainable Construction

iv. Use of recycled waste materials (construction & demolition waste) in cement and concrete

v. New environmental regulations

vi. RPO-REC regulations for cement and power plants

vii. PAT and Ecerts regulations

viii. Development of new product standards for low carbon cement and concrete products

ix. Green Buildings

x. Flyash based pre-fab building materials

xi. Manufactured Sand and aggregate from industrial waste

xii. Promotion of Concrete Roads

Principle 8: **Businesses should support inclusive growth and equitable development**

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company has specific programs / initiatives / projects pursuant to its CSR policy (Ref. http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28-Nov-2016-Board-CSR-Committee-meeting.pdf)

All sections in the host communities are engaged by the Company for developing their village micro plans through Participatory methods of planning. Individual projects are thereafter designed to address the various needs of the host communities as per the priority expressed by the communities. Conscious efforts were made to prioritize women headed, landless, small & marginal land holding families. Special drive for exclusive skilling of women and ensuring that half of the scholarships for higher education are granted to girls has been ensured. HIV+ and differently abled beneficiaries are specially tracked to be brought within the ambit of all social and business measures.

Implementation of these projects are thereafter monitored by the representatives of the villagers at all locations and course corrections measures are suggested by them, if needed. A Community Advisory Panel (CAP) has been set up to help at all stages of CSR Interventions i.e. planning of CSR projects and process monitoring. The Company has also organised third party social audit committee by taking people from different sectors to spearhead annual evaluations through rigorous field visits and secondary data analysis. The CSR project participants include the disadvantaged, vulnerable and marginalized sections of the society.

The Company has carried out CSR projects in pursuance of inclusive development, primarily focusing on:

a. Sustainable Livelihood

b. Quality of elementary Education

c. Water, Sanitation and Hygiene (WASH)

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

The Company's CSR projects are implemented through its in-house CSR Department, the ACC Trust and through engagement with other Corporates, Academic and Government Institutions.

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

Yes, the Company has conducted impact assessments of its CSR initiatives. A third party Social Audit of 100% CSR expenses was done for the fifth year in a row.

Social Audit Committee, constituted with renowned experts from social sector and academic institutions assisted by a team of social sector professionals, has conducted the social audit of CSR work at all ACC plant sites and based on field findings on parameters of Compliance, Relevance, Effectiveness, Efficiency, Rigor of Implementation and Sustainability. Each Plant location was provided a performance score for the year 2018. As a measure of good governance practice this score was imbibed in the ACC's Performance Management System. The social audit at ACC takes about 30 days of field assessment and reporting.

4. **What is the Company's direct contribution to community development projects – Amount in INR and details of the projects undertaken?**

The Company spent an amount of ₹20.45 Crore on development projects as mentioned below:

S. No.	Focus Areas	Expenditure (₹ in Crore)
1	ACC DISHA - for Youth Employability	3.93
2	ACC Swawlamban - focusing on women empowerment and livelihood	1.77
3	ACC LEISA - for Farmer's Livelihood (Low External Input Sustainability Agriculture)	2.09
4	ACC VidyaUtkarsh (Quality of Education in Government Schools)	5.46
5	ACC VidyaSarthi (Scholarship for Students)	0.73
6	ACC Arogyam (Preventive, Promotive and Curative health care)	2.00
7	ACC SampurnaSwachhata (Towards open defecation free villages)	2.28
8	ACC SanrakshitParyavaran (Solar, Biodiversity and Soil&water conservation)	1.17
9	ACC Drona (To promote rural sports and traditional Indian culture)	1.02
	Total	**20.45**

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words.**

Yes, all the community development initiatives of the Company are implemented through a participatory approach. The portfolio of CSR projects is drawn up from need assessments done by third parties through participatory rural appraisal method based micro plan. A Community Advisory Panel (CAP), comprising of different stakeholders from community representatives and opinion leaders of the community i.e. functional at ACC plant locations, regularly monitors the implementation of CSR initiatives and suggests measures for course corrections. The community ownership and sustainability are the criteria that are built in CSR initiatives from the beginning by creating community managed organizations. Community contribution is always a priority as it ensures continuance of the project through the self- governance model.

Community management principles are inbuilt in all the CSR projects from need assessment stage till the project graduation stage. Capacity building and institutional sustainability are integral part of all CSR projects.

Stakeholder Engagement Surveys (SES) during Social Audit are conducted annually to collect written feedbacks of the community. Required modifications are carried out to ongoing initiatives and project outcomes are assessed. This helps in fostering ownership amongst local communities.

Principle 9:Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What Percentage of customer complaints / consumer cases are pending as on the end of financial year 2018?**

A total of 1,096 complaints were received from customers in 2018, out of which 36 (accounting for 3.3%) were pending as of 31st December, 2018.

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

No, the Company only displays information as mandated by local laws. No additional information is being provided on the cement bags. However, we have obtained Environment Product Declaration (EPD) for all our Cement and Concrete Products. Cement EPD can be viewed at https://www.environdec.com/Detail/?Epd=13228 and Concrete EPD can be viewed at https://www.environdec.com/Detail/epd1116. All our Cement Products are CII Greenpro certified. The above certifications are the first of its kind in the Indian Cement Industry.

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

The Builders Association of India (BAI) had in July 2010 filed a complaint before the Competition Commission of India (CCI) alleging anti competitive practices on the part of major cement manufacturers including the Company, which was investigated. The CCI has thereafter passed an Order against the cement manufacturers and a penalty of ₹ 1,147.59 Crore was levied on the Company.

This Order has been challenged by the cement manufacturers including your Company before the Competition Appellate Tribunal (COMPAT), which granted the Stay subject to the Company depositing 10% of the penalty the matter has since been transferred to National Company Law Appellate Tribunal (NCLAT).Vide its judgment dated 25th July 2018, the NCLAT has dismissed the appeal of the Company. The Company has preferred an appeal before the Hon'ble Supreme Court against the above Order of NCLAT. The Hon'ble Supreme Court vide its Order dated 5th October 2018, has admitted the Company's civil appeal and ordered for continuance of the interim orders passed by NCLAT towards stay on the demand subject to continuance of the deposit of 10% of the penalty amount.

All matters before the COMPAT (including Complaint filed by the Director General (Supply & Distribution), Department of Civil Supplies, Government of Haryana) have been transferred to the NCLAT and the appeal is pending.

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

Yes, a Customer Satisfaction Survey is carried out by the Company every year.

ANALYSIS OF STANDALONE FINANCIAL

The following table sets forth the breakup of the Company's expenses as part of the Revenue from operations (net)

Amount in ₹ Crore

	2018	% of Revenue from operations	2017	% of Revenue from operations
Net Sales	14,477.47	97.81	12,908.94	97.33
Other operating revenue	323.88	2.19	353.65	2.67
Revenue from operations (net)	**14,801.35**	**100.00**	**13,262.59**	**100.00**
Other Income	138.50	0.94	131.65	0.99
Cost of material consumed	2,370.23	16.01	1,982.52	14.95
Purchase of Stock-in-Trade	89.26	0.60	0.84	0.01
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(124.98)	(0.84)	(14.90)	(0.11)
Employee benefits expense	881.06	5.95	818.95	6.17
Power and fuel	2,998.12	20.26	2,714.45	20.47
Freight and Forwarding expense	4,011.41	27.10	3,450.97	26.02
Finance costs	89.20	0.60	102.30	0.77
Depreciation and amortisation expense	599.64	4.05	640.12	4.83
Other expenses (including net of Excise duty paid and recovery)	2,531.62	17.09	2,400.63	18.09
Profit before tax	**1,494.29**	**10.10**	**1,298.36**	**9.79**
Tax expenses	488.29	3.30	382.91	2.89
Tax adjustments for earlier years	(500.63)	(3.38)	-	-
Profit for the year	**1,506.63**	**10.18**	**915.45**	**6.90**
Other Comprehensive Income for the year, net of tax	(4.85)	(0.03)	2.37	0.02
Total Comprehensive Income for the year	**1,501.78**	**10.15**	**917.82**	**6.92**

Financial results for the year are not comparable with previous year due to following reasons:

(a) Employee benefits expense for the current year includes ₹ 70 Crore (Previous year - Nil) on account of charge for Employee Separation Scheme.

(b) In the current year, provision for tax of ₹ 501 Crore relating to earlier years written back.

The Company has demonstrated its capacity to execute multiple strategies and strengthened the culture of protecting its reputation and driving competitive advantage. The Company has delivered a profit after tax of ₹ 1,006 Crore (excluding tax write back) as compared to ₹ 915 Crore in 2017.

Over the previous year, net sales growth is 12% and operating EBITDA (excluding severance cost) growth is 11%. This growth was achieved by executing a set of priorities, both on revenue and cost levers, improving efficiency and strengthening our customer & market approach. This enabled the Company to improve the performance continuously over the last several quarters.

The analysis of major items of the financial statements is given below:

1. REVENUE FROM OPERATIONS (NET EXCISE DUTY):

Amount in ₹ Crore

	2018	2017	Change	Change%
Cement*	13,041.09	11,560.46	1,480.63	12.81
Clinker	130.00	208.00	(78.00)	(37.50)
Ready Mix Concrete	1,299.10	1,131.45	167.65	14.82
Income from services rendered	7.28	9.03	(1.75)	(19.38)
Other operating revenue	323.88	353.65	(29.77)	(8.42)
TOTAL	**14,801.35**	**13,262.59**	**1,538.76**	**11.60**

*Does not include cement sale to RMX

Revenue from operations has increased due to following reasons:

- The Company achieved highest ever sales in current year. The Company's cement sales volume is at 28.37 million tonnes as compared to 26.21 million tonnes during previous year.
- The cement business delivered sales volume growth of 8% as compared to previous year basis driven by stronger demand and greater focus on premium products.
- The cement market continued to witness vigorous price competition. Average selling price of cement increased by 2% in 2018 over 2017 (excluding impact of change in commercial term).
- Continued thrust on promotion of the Company's range of premium products, yielded an increase of about 36% in the sales volume of these products during the year.
- The Company's Ready Mix Concrete (RMX) business showed positive momentum throughout the year, achieving overall growth of 16% in sales volume during the year. Sale of Ready Mix Concrete has increased from 27.10 Lakh Cubic Metres to 31.57 Lakh Cubic Metres.
- During the year, RMX business expanded its footprint by adding 18 new Plants. These Plants are located in high contribution and high EBITDA margin markets across the country. With this addition, the nationwide network of RMX Plants comprises of 75 state-of-the-art Plants.

Other operating revenue includes accrual of incentives from State Governments under incentive schemes, write back of provision which is no longer required, scrap sales and other miscellaneous Income.

Other operating revenue has decreased mainly due to following reason:

- Other operating revenue of previous year included insurance claims of ₹ 31 Crore on account of breakdown of Property, Plant and Equipment.

2. OTHER INCOME:

Amount in ₹ Crore

	2018	2017	Change	Change%
Other income	138.50	131.65	6.85	5.20

Other income consists of income on investment of surplus funds, interest on Income Tax, gain on sale and fair valuation of financial assets, dividend from non-current investments and net gain on disposal of Property, Plant and Equipment.

Other income has increased marginally due to following offsetting reasons:

- Interest income on bank deposits and gain on sale of mutual funds has increased by ₹ 36 Crore due to increase in surplus funds. Cash and cash equivalent has increased by 12% as compared to previous year.
- In the previous year, the Company received interest on Income Tax of ₹ 15 Crore as a result of conclusion of assessments and other proceedings relating to earlier years.
- In the previous year, the Company sold its investment in Shiva Cement Limited and gain of ₹ 10 Crore was recorded under Other Income.

3. COST OF MATERIALS CONSUMED:

Amount in ₹ Crore

	2018	2017	Change	Change%
Cost of materials consumed	2,370.23	1,982.52	387.71	19.56%

Cost of material consumed has increased due to following reasons:

- Cement production has increased by 7% from 26.56 million tonnes to 28.36 million tonnes. Cost of material consumed of cement business has increased from ₹ 564/t to 624/t (up by 11%).
- Ready Mix Concrete production has increased by 15% from 27.29 Lakh Cubic Metres to 31.29 Lakh Cubic Metres.
- Slag prices up by 55% due to surge in demand and consequential need to procure long lead sources. Overall cost of consumption of slag has increased by ₹ 138 Crore.
- The landed cost of flyash reduced by 4% as against previous year on account of increased usage of cheaper wet flyash and through source-mix optimization.
- Increased usage of cheaper activated gypsum and procurement from cheaper sources helped in reducing the gypsum cost by 5%.
- Purchase of clinker has increased by ₹ 95 Crore and purchase of limestone has decreased by ₹ 30 Crore.
- Sustained efforts were made to improve flyash absorption which enabled the Company to reduce the clinker factor by producing a higher share of blended cements which in turn had a positive impact on the contribution despite sharp rise in the cost of slag as stated above.

4. CHANGES IN INVENTORIES:

Amount in ₹ Crore

	2018	2017	Change	Change%
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(124.98)	(14.90)	(110.08)	738.79%

- Movement of change in inventories is mainly on account of increase in finished goods stock as compared to previous year. Inventory of finished goods is ₹ 293 Crore as on December 31, 2018 as compared to ₹ 161 Crore in December 31, 2017.

5. EMPLOYEE BENEFITS EXPENSE:

Amount in ₹ Crore

	2018	2017	Change	Change%
Employee benefit expense	881.06	818.95	62.11	7.58

Employee costs registered an increase of 7.58% due to following reasons:

- During the current year, the Company has incurred an amount of ₹ 70 Crore on account of Employee Separation Scheme to improve the manpower productivity.
- Increase in employee benefits expenses due to normal annual increments with effect from April 01, 2018.
- The Company has achieved the employee cost optimization by delivering strategic change and putting in place the operational capabilities. This helped the Company in reducing the employee cost. Employee head counts have also reduced from 7,422 in 2017 to 6,731 in 2018.

6. POWER AND FUEL:

Amount in ₹ Crore

	2018	2017	Change	Change%
Power and Fuel	2,998.12	2,714.45	283.67	10.45

Power and fuel cost has increased due to following reasons:

- Clinker production is almost at previous year level. Power and Fuel cost of cement business has increased from ₹ 1030/t to 1051/t (up 2%). Power cost per tonne of clinker production has increased by 10%.
- Overall fuel cost has been impacted adversely due to increase in fuel prices. Imported petcoke price has increased by 22% from previous year. Landed cost of imported and domestic coal has also increased in the range of 9% to 12%.
- The Company continued fuel mix optimization during the year. Considering the higher pet coke prices, usage of domestic coal has increased to 28% in 2018 as compared to 25% in 2017. Usage of pet coke has reduced to 64% as compared to 67% in 2017.
- The cost of generation at our thermal power plants (TPP) has gone up by 7% to ₹ 5.39 per Kwh in 2018 against ₹ 5.05 per Kwh in 2017, mainly due to increase in CPP coal prices and non-availability of linkage coal.
- The average cost of purchased power during the year is ₹ 6.43 per kwh as compared to ₹ 6.53 per kwh in the previous year.
- Controlling costs is an on-going exercise. To mitigate the impact of rising fuel prices, the Company engaged in a cost control program leading to the following manufacturing efficiencies:
  - Electrical energy efficiency improved by 3.23 kwh to 81.10 kwh/t of cement during the year as against 84.33 kwh /t cement in 2017.
  - Electrical energy efficiency improved by ~ 1 kwh to 69.0 kwh/t of clinker during the year as against 69.9 kwh /t clinker in 2017 and by 1.6 kwh to 38.5 kwh/t of cement grinding during the year as against 40.1 kwh /t cement grinding in 2017.
  - Kiln thermal efficiency improved by 4MJ to 3099 MJ /per tonne of clinker during the year as against 3103 MJ/per tonne of clinker in 2017.
  - Power generated by the Company's Waste Heat Recovery Plant of 7.5 MW at Gagal plant delivered the savings of ₹ 22 Crore (Previous year - ₹ 22 Crore).
  - Entering into solar power purchase agreements to cut purchased power costs and to meet renewable energy obligations.

7. FREIGHT AND FORWARDING EXPENSE :

Amount in ₹ Crore

	2018	2017	Change	Change%
Freight and Forwarding expense				
Freight on Clinker transfer	515.82	480.83	34.99	7.28
Freight on Cement	2,786.79	2,362.31	424.48	17.97
Clearing and Forwarding expenses on cement	573.47	495.82	77.65	15.66
Ready Mix Concrete	135.33	112.01	23.32	20.82
TOTAL	**4,011.41**	**3,450.97**	**560.44**	**16.24**

Freight on Cement has increased due to following reasons:

- Cement despatches increased by 7% as compared to previous year. Freight on cement has increased from ₹ 901/t to 982/t (up by 9%). Like for like increase is 1% (excluding impact of change in commercial terms).

- Increased FOR sales in current year as compared to ex-works sales in the previous year has resulted into increase in per tonne cement freight cost by approx. 8%.
- Diesel prices have also gone up as compared to previous year.

Following continuous efforts are made to contain the costs through Logistics strategies for improving efficiency:

- Improvement in Direct dispatches by 1%
- Reduction in rail lead by 4% through route optimisation. Road lead is increased by 2%.
- Improvement in operational efficiencies through mode-mix optimisation
- Long Term Traffic Contract with Railways
- Road contract benchmarking & negotiation helped to restrict road freight increase

Clearing and Forwarding Expenses on cement due to following reasons:

- Cement despatches increased by 7% as compared to previous year.
- Clearing and Forwarding expenses on cement has increased from ₹ 189/t to 202/t (up by 7%).
- Cost up due to additional warehousing space to meet volume growth and handling of higher premium products.

Freight cost on sale of Ready Mix Concrete has gone up due to increase in volumes.

8. FINANCE COSTS:

Amount in ₹ Crore

	2018	2017	Change	Change%
Interest				
- On Income tax	29.59	52.99	(23.40)	(44.16)
- On Defined benefit obligation	9.31	8.22	1.09	13.26
- Interest on deposits from dealers	28.89	24.14	4.75	19.68
- Interest on Royalty on limestone	10.31	-	10.31	100.00
- Others	9.17	15.35	(6.18)	(40.26)
Unwinding of site restoration provision	1.93	1.60	0.33	20.63
TOTAL	**89.20**	**102.30**	**(13.10)**	**(12.81)**

Finance cost has increased due to followings reasons:

- The Company provided interest on outstanding tax demand in the previous year. Consequent to payment of such demand in current year, interest expenses is lower as compared to previous year.
- During the current year, the Company has paid interest of ₹ 10 Crore on demand of royalty on limestone for earlier years.
- Consequent to the increase in interest rate, interest paid on dealers deposit has increased as compared to previous year.

9. DEPRECIATION AND AMORTIZATION EXPENSE

Amount in ₹ Crore

	2018	2017	Change	Change%
Depreciation on Property, Plant and Equipment	595.07	636.92	(41.85)	(6.57)
Amortisation of intangible assets	4.57	3.20	1.37	42.81
Total	**599.64**	**640.12**	**(40.48)**	**(6.32)**

Depreciation has decreased mainly due to Property, Plant and Equipment retired / fully depreciated during the previous year.

10. OTHER EXPENSES:

Amount in ₹ Crore

	2018	2017	Change	Change%
Consumption of stores and spare parts	318.72	331.14	(12.42)	(3.75)
Consumption of packing materials	502.59	434.36	68.23	15.71
Rent	137.11	139.79	(2.68)	(1.92)
Rates and taxes	151.48	151.85	(0.37)	(0.24)
Repairs	168.82	170.25	(1.43)	(0.84)
Insurance	21.29	21.79	(0.50)	(2.29)
Royalties on minerals	269.16	224.12	45.04	20.10
Advertisement	72.10	87.42	(15.32)	(17.52)
Technology and Know-how fees	144.46	128.37	16.09	12.53
Impairment losses on financial assets (net)	5.39	2.20	3.19	145.00
Corporate Social Responsibility expense	20.45	21.82	(1.37)	(6.28)
Miscellaneous expenses	722.76	715.66	7.10	0.99
Excise duty variation on opening and closing stock	-	(22.01)	22.01	(100.00)
Self Consumption of cement	(2.71)	(6.13)	3.42	(55.79)
TOTAL	**2,531.62**	**2,400.63**	**130.99**	**5.46**

- Consumption of stores and spares parts has decreased mainly on account of lower maintenance cost as compared to previous year by optimizing the shut-down cost.
- Consumption of packing material cost has increased mainly due to increase in volumes. Average price of packing bags also increased by 10.30% due to increase in prices of polypropylene granules. Consumption of bags for premium products has also increased in line with increase in sale of premium products.
- Overall expenses on royalties on minerals have increased due to increase in extraction of limestone Previous year royalties on minerals expenses is net of ₹ 34 Crore related to provision for contribution towards District Mineral Foundation (DMF), written back on the basis of Supreme Court's favourable Judgement in 2017.
- Advertisement expenses decreased due to decrease in various promotional activities.
- Technology and Know-how fees represent the amount paid to Holcim Technology Ltd for technical support received by the Company.
- Miscellaneous expenses include commission on sales paid to third party, information technology services, traveling expenses, other third party services, etc. Effective cost control measures have resulted in curtailment of increase in overall miscellaneous expenses. Miscellaneous expenses as % of Net sales are reduced to 4.99% as compared to 5.54% in 2017.

11. TAX EXPENSES:

Amount in ₹ Crore

	2018	2017	Change	Change%
Current tax	457.02	351.12	105.90	30.16
Tax adjustments for earlier years	(500.63)	-	(500.63)	(100.00)
Deferred tax charge	31.27	31.79	(0.52)	(1.64)
TOTAL	**(12.34)**	**382.91**	**(395.25)**	**(103.22)**

Effective income tax rate for 2018 is 32.68% as compared to 29.49% in previous year. The Company was eligible for Investment allowance on new plant and machinery up to Assessment year 2017-2018. Effect of this non availability of this benefit on effective income tax rate was (2.56%) in the previous year.

- Current tax has increased by ₹ 106 Crore mainly due to increase in taxable profit and reduction in allowances on new plant and machinery as stated above.

- The Company was entitled to incentives in the form of excise duty benefit for its Gagal Plant in the state of Himachal Pradesh, in respect of Income Tax Assessment Years 2006-07 to 2015-16. The Company contended in its income tax returns that the said incentives are in the nature of capital receipts, and hence not liable to income tax. In view of the series of repeated favourable orders by the tax department, in the current year the Company again reviewed the matter, and has reassessed the risk and concluded that the risk of an ultimate outflow of economic benefits for this matter is no longer probable. Accordingly the Company has reversed the existing provisions of ₹ 501 Crore (Refer Note – 21)

12. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS:

Amount in ₹ Crore

	2018	2017	Change	Change%
Property, Plant and Equipment	7,012.21	7,201.25	(189.04)	(2.63)
Capital work-in-progress	392.16	261.72	130.44	49.84
Other Intangible assets	37.22	39.77	(2.55)	(6.41)
TOTAL	**7,441.59**	**7,502.74**	**(61.15)**	**(0.82)**

Property, Plant and Equipment has decreased due to following offsetting reasons:

- During the year, the Company has capitalised Property, Plant and Equipment of ₹ 425 Crore mainly consisting of routine maintenance capex.
- Depreciation on Property, Plant and Equipment for the year is ₹ 595 Crore.

13. INVESTMENTS:

Amount in ₹ Crore

	2018	2017	Change	Change%
Investments in subsidiaries, associates and joint ventures	226.45	226.45	-	-
Other Non-current investments	3.70	3.70	-	-
TOTAL	**230.15**	**230.15**	**-**	**-**

- No movement in investments in the current year

14. FINANCIAL ASSETS - LOANS AND ADVANCES

Amount in ₹ Crore

	2018	2017	Change	Change
Non-current loans	161.23	215.88	(54.65)	(25.31)
Current loans	78.87	40.96	37.91	92.55
TOTAL	**240.10**	**256.84**	**(16.74)**	**(6.52)**

- Non-current loans have decreased mainly due to redemption of Security deposit given for lease rental agreement.
- Current loans have increased mainly on account of increase in Security deposit given for supply of raw materials.

15. OTHER ASSETS

Amount in ₹ Crore

	2018	2017	Change	Change%
Other non-current assets	611.77	616.49	(4.72)	(0.77)
Other current assets	718.38	787.35	(68.97)	(8.76)
TOTAL	**1,330.15**	**1,403.84**	**(73.69)**	**(5.25)**

Other current assets have gone down due to following offsetting reasons:

- Advance to suppliers has gone down by ₹ 106 Crore. Advance given for supply of linkage coal and other raw materials in the previous year is materialized in current year. Coal companies cleared backlog for earlier period.
- Balances with statutory / government authorities has gone up by ₹ 39 Crore mainly due to GST paid on input materials.

16. INVENTORIES :

Amount in ₹ Crore

	2018	2017	Change	Change%
Raw Materials	185.73	153.96	31.77	20.64
Work-in-Progress	222.89	230.87	(7.98)	(3.46)
Finished Goods	293.41	161.26	132.15	81.94
Stock-in-trade	0.98	0.17	0.81	476.47
Stores and Spare Parts	393.84	383.22	10.62	2.77
Packing Materials	21.83	25.79	(3.96)	(15.35)
Fuels	559.88	448.68	111.20	24.78
TOTAL	**1,678.56**	**1,403.95**	**274.61**	**19.56**

- Average inventory turnover in sales days has increased from 37 days in 2017 to 39 days in 2018 mainly due to increase in cement and coal inventory.
- Raw material has increased mainly due to increase in inventory activated gypsum and slag.
- Inventory of cement has increased by ₹ 132 Crore as compared to previous year.
- Inventory of linkage coal has increased as coal companies cleared backlog for earlier period. Corresponding advance given for supply of linkage coal is also reduced.

17. TRADE RECEIVABLES:

Amount in ₹ Crore

	2018	2017	Change	Change%
Trade receivables - Cement	559.91	403.09	156.82	38.90
Trade receivables - Ready Mix Concrete	308.35	265.11	43.24	16.31
TOTAL	**868.26**	**668.20**	**200.06**	**29.94**

- Trade receivable for cement as well as Ready Mix Concrete business has increased mainly due to increase in sales. Increase in trade receivable is partially offset by better collections performance.
- The average trade receivables in sales days outstanding for cement sales as on December 31, 2018 is 13 as compared to 11 as on December 31, 2017.
- The average trade receivables in sales days for Ready Mix Concrete business as on December 31, 2017 is 80 as compared to 77 as on December 31, 2017.

18. CASH AND CASH EQUIVALENTS:

Amount in ₹ Crore

	2018	2017	Change	Change%
Cash and Cash Equivalents	2,836.84	2,526.74	310.10	12.27

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 held for a period of three months or less from the date of acquisition.

- Cash and Cash Equivalents improved by 12.27% to ₹ 2,836 Crore. The improvement is driven by strong performance and better collection performance and implementing appropriate payment norms for suppliers.

19. PROVISIONS

Amount in ₹ Crore

	2018	2017	Change	Change
Non-current provisions	139.52	142.03	(2.51)	(1.77)
Current provisions	27.30	51.19	(23.89)	(46.67)
TOTAL	**166.82**	**193.22**	**(26.40)**	**(13.66)**

- Provision includes employee benefits and site restoration. Employee benefits provision is utilized in current year on account of benefits payment under severance scheme.

20. SHORT-TERM BORROWINGS

Amount in ₹ Crore

	2018	2017	Change	Change%
Short-term borrowings	-	59.17	(59.17)	(100.00)

- During the year, the Company has repaid the borrowings taken from ACC Mineral Resources Limited, a wholly owned subsidiary Company.

21. TRADE PAYABLES

Amount in ₹ Crore

	2018	2017	Change	Change%
Trade Payables	1,922.73	1,810.49	112.24	6.20

- Increase in trade payables is result of improvising on working capital management by negotiating better credit terms with suppliers
- Average trade payable in sales days has increased from 43 days in 2017 to 47 days in 2018.

22. Other Current Liabilities

Amount in ₹ Crore

	2018	2017	Change	Change%
Other current financial liabilities				
Interest accrued	24.18	18.17	6.01	33.08
Unpaid dividend & Deposit	34.63	31.65	2.98	9.42
Security deposits and retention money	553.40	530.56	22.84	4.30
Liability for capital expenditure	67.99	59.85	8.14	13.60
Other financial liabilities	92.32	78.58	13.74	17.49
Foreign Currency Forward Contract	1.19	-	1.19	100
Other current liabilities				
Statutory dues	575.78	595.44	(19.66)	(3.30)
Advance from customers	226.80	188.63	38.17	20.24
Other payables	986.42	948.59	37.83	3.99
TOTAL	**2,562.71**	**2,451.47**	**111.24**	**4.54**

Other current financial liabilities

- Security deposit has increased due to increase in number of dealers and increase in sales volume.
- Other financial liabilities have increased due to provision made under employee severance scheme.

Other current liabilities

- Liability for statutory dues has decreased mainly due to decrease in GST liability.
- Other payables increased mainly due to increase in liability for rebates to customers.

23. CASH FLOWS

Amount in ₹ Crore

	2018	2017	Change	Change%
Net cash flow from operating activities	1,118.08	1,554.76	(436.68)	(28.09)

Net cash from operating activities has decreased as compared to previous year due to following reasons:

- The cash operating profit before working capital changes has increased by ₹ 171 Crore due to strong performance in the current year.
- Direct tax paid - (Net of refunds) has increased by ₹ 309 Crore. During the previous year, the Company received income tax refund of ₹ 130 Crore for earlier years on completion of assessment years.
- Impact on cash flow from operating activities due to above reasons partially offset by increase in working capital by ₹ 388 Crore as compared to increase of ₹ 89 Crore in previous year. Inventory and trade receivables have gone up as compared to previous year.

Amount in ₹ Crore

	2018	2017	Change	Change%
Net cash flow from investing activities	(367.78)	(384.58)	16.80	(4.37)

Net cash used for investing activities has marginally reduced as compared to previous year mainly due to higher interest received on surplus funds.

Amount in ₹ Crore

	2018	2017	Change	Change%
Net cash flow used for financing activities	(441.11)	(422.10)	(19.01)	4.50

Net cash used for financing activities has marginally increased as compared to previous year following reasons:

- Repayment of borrowings of ₹ 60 Crore taken from ACC Mineral Resources Limited, a wholly owned subsidiary Company.
- Increase in cash flow financing activities has partially offset by lower dividend during the year. In the current year, interim dividend is not declared, keeping in view the proposed expansion plans.

RATIO ANALYSIS

1. Operating EBITDA margin (%)

	2018	2017
Operating EBITDA margin	14.12	14.79

- Despite rising prices of slag, pet coke and diesel, the Company is able to maintain the Operating EBITDA margin almost at same level of last year due to continued emphasis on productivity measures, improved raw material mix and source mix optimization which helped partially offset higher input costs.
- Operating EBITDA for 2018 includes ₹ 70 Crore on account of charge for Employee Separation Scheme which has resulted in to drop in Operating EBITDA margin by 48 bps.
- Slag prices up by 55% due to surge in demand and consequential need to procure long lead sources. Overall fuel cost has been impacted adversely due to increase in fuel prices.

2. Average Return on Capital Employed (%)

	2018	2017
Average Return on Capital Employed	15.02	14.27

Average return on capital employed as increased 75 bps mainly due to following reasons:

- Earnings before interest on long term borrowings and tax (EBIT) have increased by 15% as compared to previous year whereas average net worth has increased only by 9%.

3. **Return on Net worth (%)**

	2018	2017
Return on Net worth*	9.56	9.77

*Profit after tax is after excluding income tax write back ₹ 501 Crore in 2018.

- Return on Net worth in the current year is fairly in line with previous year.

4. **Current Ratio (Times)**

	2018	2017
Current ratio	1.39	1.08

- The Company's current ratio for 2018 is recorded at 1.37 times as compared to 1.08 times in 2017. Increase in current ratio is mainly on account of increase in working capital. Trade receivables and inventory has increased as compared to previous year.

5. **Price Earning Ratio (Times)**

	2018	2017
Price Earning Ratio	27.84	36.08

- Basic Earnings per share stood at ₹ 53.57 for the year ended 2018 registering an increase by 10% as compared to previous year on account of increase in profitability. However overall Price earnings ratio has decreased in view of stock market volatility in the current year.

6. **Net worth per Share (₹)**

	2018	2017
Net worth per Share	561	499

- Net worth per share has increased as compared to previous year due to increase in net worth by 12%.
- Net worth has increased due to increase in retained profit after distribution of dividend to the shareholders.

7. **Dividend per share, earning per share and Dividend payout ratio***

	2018	2017
Dividend per share (₹)	14	26
Basic Earnings per Share (₹)	53.57	48.75
Dividend payout ratio (%)	26	53

* Dividend payout ratio is calculated without considering dividend distribution tax

- Basic Earnings per share stood at ₹ 53.57 for the year ended 2018 registering an increase by 10% as compared to previous year on account of increase in profitability.

8. **Fixed Asset Turnover Ratio (Times)**

	2018	2017
Fixed Asset Turnover Ratio	1.9	1.7

- Asset turnover ratio has increased in 2018 as compared to previous year mainly on account of increase in net sales.

INDEPENDENT AUDITOR'S REPORT

To The Members of ACC Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of ACC Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards, and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder, and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2018, and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Notes 40(A)a and 40(A)b to the standalone Ind AS financial statements which describe the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,147.59 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 May 26, 2017), in its order passed on July 25, 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 October 05, 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 by its order dated January 19, 2017, had imposed a penalty of ₹ 35.32 crores on the Company 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 financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on December 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors is in accordance with the provisions of section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

        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, other than ₹ 1.16 crores paid during the year, as reported in the previous year.

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)

B. P. Shroff
Partner
(Membership No. 034382)

Place : Mumbai
Date : February 05, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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 ACC Limited ("the Company") as of December 31, 2018 in conjunction with our audit of the standalone Ind AS 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 December 31, 2018, 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)

B. P. Shroff
Partner
(Membership No. 034382)

Place : Mumbai
Date : February 05, 2019

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)

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

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner i.e. at least once every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the registered sale deed / transfer deed / conveyance deed / other documents evidencing title of the Company, we report that the title deeds of all the immovable properties of land and buildings which are freehold, other than self-constructed buildings, included in the property, plant and equipment are held in the name of the Company as at the Balance Sheet date, except for the following which are not held in the name of the Company as given below:

(₹ in Crores)

Particulars of the land and building	Gross Carrying Value as at December 31, 2018	Net Carrying Value as at December 31, 2018	Remarks
Freehold Land	1.41	1.41	Title deeds are in name of the entities which got merged with the Company.
Buildings	7.82	6.46	
Freehold Land	0.35	0.35	Original title deeds are not available. Copies are available.
Buildings	0.39	0.37	
Buildings	20.87	19.68	Title deeds are pending to be registered in the name of Company and necessary steps are being taken in this regard to transfer the title in the name of the Company.

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at Balance Sheet date, except for the following which are not held in the name of the Company as given below:

(₹ in Crores)

Particulars of the land	**Gross Carrying Value as at December 31, 2018**	**Net Carrying Value as at December 31, 2018**	**Remarks**
Leasehold Land	2.34	2.16	Title deeds are in name of the entities which got merged with the Company.
Leasehold Land	1.19	1.09	Original title deeds are not available. Copies are available.

(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.

(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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at December 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on December 31, 2018 on account of disputes are given below:

₹ In crores

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid
Income Tax Act, 1961	Income Tax and Interest	Commissioner	1998-1999	6.81
			2006-2007	4.41
			2012-2013	197.76
			2013-2014	14.14
Sales Tax / Value Added Tax	Sales Tax, VAT, Penalty and Interest	High Court	1984-2017	128.08
		Appellate Authorities & Tribunal	1984-2017	172.95
		Commissioner	1990-2017	23.15
Central Excise Act, 1944	Excise Duty, Penalty and Interest	Supreme Court	1994-2000	2.34
		High Court	2001-2013	0.98
		Appellate Authorities & Tribunal	1994-2018	167.53
		Commissioner	2001-2018	1.43
Finance Act, 1994	Service Tax, Penalty and Interest	Appellate Authorities & Tribunal	2001-2017	152.00
		Commissioner	2005-2017	53.51
Custom Act, 1962	Custom Duty, Penalty and Interest	Appellate Authorities & Tribunal	2012-2013	0.47

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(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 them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 034382)

Place : Mumbai
Date : February 05, 2019

BALANCE SHEET as at December 31, 2018

	Particulars	Note No.	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
A.	**ASSETS**			
	Non-current assets			
	a) Property, Plant and Equipment	2	7,012.21	7,201.25
	b) Capital work-in-progress		392.16	261.72
	c) Other Intangible assets	3	37.22	39.77
	d) Investments in subsidiaries, associates and joint ventures	4	226.45	226.45
	e) Financial Assets			
	(i) Investments	5	3.70	3.70
	(ii) Loans	6	161.23	215.88
	(iii) Other financial assets	7	325.33	410.34
	f) Non-Current Tax Assets (Net)	8	673.01	295.44
	g) Other non-current assets	9	611.77	616.49
	Total Non-current assets		**9,443.08**	**9,271.04**
	Current assets			
	a) Inventories	10	1,678.56	1,403.95
	b) Financial Assets			
	(i) Trade receivables	11	868.26	668.20
	(ii) Cash and Cash Equivalents	12	2,836.84	2,526.74
	(iii) Bank balances other than Cash and Cash Equivalents	13	163.49	168.66
	(iv) Loans	14	78.87	40.96
	(v) Other financial assets	15	226.02	8.87
	c) Other current assets	16	718.38	787.35
			6,570.42	**5,604.73**
	d) Non-current assets classified as held for sale	17	11.55	13.08
	Total Current assets		**6,581.97**	**5,617.81**
	TOTAL - ASSETS		**16,025.05**	**14,888.85**
B.	**EQUITY AND LIABILITIES**			
	Equity			
	a) Equity Share Capital	18	187.99	187.99
	b) Other Equity	19	10,339.67	9,177.47
	Total Equity		**10,527.66**	**9,365.46**
	Liabilities			
	Non-current liabilities			
	a) Provisions	20	139.52	142.03
	b) Deferred tax liabilities (Net)	21	663.09	541.36
	Total Non-current liabilities		**802.61**	**683.39**
	Current liabilities			
	a) Financial Liabilities			
	(i) Borrowings	22	-	59.17
	(ii) Trade payables			
	Total outstanding dues of micro and small enterprises	44	8.02	4.81
	Total outstanding dues of creditors other than micro and small enterprises		1,914.71	1,805.68
	(iii) Other financial liabilities	23	773.71	718.81
	b) Other current liabilities	24	1,789.00	1,732.66
	c) Provisions	25	27.30	51.19
	d) Current Tax Liabilities (Net)		182.04	467.68
	Total Current liabilities		**4,694.78**	**4,840.00**
	Total liabilities		**5,497.39**	**5,523.39**
	TOTAL - EQUITY AND LIABILITIES		**16,025.05**	**14,888.85**
	Significant accounting policies	1		

See accompanying notes to the financial statements

In terms of our report attached

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

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

STATEMENT OF PROFIT AND LOSS for the year ended December 31, 2018

	Particulars	Note No.	For the Year ended December 31, 2018		For the Year ended December 31, 2017
			₹ Crore	₹ Crore	₹ Crore
	INCOME				
1	Revenue from operations	26	14,801.35		14,200.19
2	Other Income	27	138.50		131.65
3	**Total Income (1+2)**			**14,939.85**	**14,331.84**
4	**EXPENSES**				
	a) Cost of materials consumed	28	2,370.23		1,982.52
	b) Purchase of Stock-in-Trade	29	89.26		0.84
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	30	(124.98)		(14.90)
	d) Employee benefits expense	31	881.06		818.95
	e) Power and fuel		2,998.12		2,714.45
	f) Freight and Forwarding expense	32	4,011.41		3,450.97
	g) Excise duty		-		915.59
	h) Finance costs	33	89.20		102.30
	i) Depreciation and amortisation expense	34	599.64		640.12
	j) Other expenses	35	2,534.33		2,428.77
			13,448.27		13,039.61
	Self Consumption of Cement		(2.71)		(6.13)
	Total Expenses			**13,445.56**	**13,033.48**
5	**Profit before tax (3-4)**			**1,494.29**	**1,298.36**
6	**Tax expense** (Refer Note - 21)				
	a) Current tax		457.02		351.12
	b) Tax adjustments for earlier years		(500.63)		-
	c) Deferred tax charge		31.27		31.79
				(12.34)	382.91
7	**Profit for the year (5-6)**			**1,506.63**	**915.45**
8	**Other Comprehensive Income (OCI)**				
	(i) Items that will not be reclassified to profit and loss:				
	Re-measurement gain / (loss) on defined benefit plans			(7.45)	3.62
	(ii) Income tax relating to items that will not be reclassified to profit and loss	21		2.60	(1.25)
	Other Comprehensive Income for the year, net of tax			**(4.85)**	**2.37**
9	**Total Comprehensive Income for the year (7+8)**			**1,501.78**	**917.82**
10	**Earnings per equity share of ₹ 10 each:**	36			
	Basic		₹	80.23	48.75
	Diluted		₹	80.04	48.63
	Significant accounting policies	1			

See accompanying notes to the financial statements

In terms of our report attached

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

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

STATEMENT OF CHANGES IN EQUITY for the year ended December 31, 2018

A. Equity Share Capital

	Note No.	₹ Crore
As at January 01, 2017	18	187.99
Issue of equity shares		-
As at December 31, 2017	18	187.99
Issue of equity shares		-
As at December 31, 2018	18	**187.99**

B. Other Equity

For the year ended December 31, 2018

	Reserves and surplus (Refer Note - 19)				Total Other Equity
	Capital Reserve	Securities premium	General Reserve	Retained Earnings	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
As at January 01, 2018	67.81	845.03	2,723.30	5,541.33	9,177.47
Profit for the year	-	-	-	1,506.63	1,506.63
Other Comprehensive Income for the year, net of tax	-	-	-	(4.85)	(4.85)
Total comprehensive income for the year				1,501.78	1,501.78
Final dividend paid for 2017 (Refer Note - 52)	-	-	-	(281.68)	(281.68)
Dividend distribution tax on dividend (Refer Note - 52)	-	-	-	(57.90)	(57.90)
As at December 31, 2018	**67.81**	**845.03**	**2,723.30**	**6,703.53**	**10,339.67**

B. Other Equity (Contd.)

For the year ended December 31, 2017

	Reserves and surplus (Refer Note - 19)				Total Other Equity
	Capital Reserve	Securities premium	General Reserve	Retained Earnings	
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
As at January 01, 2017	67.81	845.03	2,723.30	5,007.74	8,643.88
Profit for the year	-	-	-	915.45	915.45
Other Comprehensive Income for the year, net of tax	-	-	-	2.37	2.37
Total comprehensive income for the year				917.82	917.82
Interim dividend paid (Refer Note - 52)	-	-	-	(206.57)	(206.57)
Final dividend paid for 2016 (Refer Note - 52)	-	-	-	(112.67)	(112.67)
Dividend distribution tax on dividend (Refer Note - 52)	-	-	-	(64.99)	(64.99)
As at December 31, 2017	**67.81**	**845.03**	**2,723.30**	**5,541.33**	**9,177.47**

See accompanying notes to the financial statements

In terms of our report attached

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

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

STATEMENT OF CASH FLOW for the year ended December 31, 2018

Particulars	Note no.	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
A. Cash flow from operating activities			
Profit before Tax		1,494.29	1,298.36
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	34	599.64	640.12
Loss / (Profit) on sale / write off of Property, Plant and Equipment (net)	27 & 35	(0.94)	2.89
Gain on sale of non - current financial assets measured at FVTPL	27	-	(10.32)
Gain on sale of current financial assets measured at FVTPL	27	(33.43)	(23.78)
Dividend income	27	(1.09)	(4.75)
Interest income	27	(102.13)	(91.92)
Finance costs	33	89.20	102.30
Impairment losses on financial assets (net)	35	5.39	2.20
Provision / (Reversal) for doubtful advances (net)		(0.05)	(5.00)
Provision / (Reversal) for slow and non moving Stores & Spares (net)	10	4.42	(6.39)
Provision no longer required written back (including write back of royalty on minerals in the previous year)	26 & 35	(24.59)	(45.01)
Net gain on fair valuation of current financial assets measured at FVTPL	27	(0.91)	(0.88)
Amortisation of operating lease rental		2.78	3.72
Fair Value movement in Derivative Instruments		1.19	-
Unrealised exchange gain (net)		(1.10)	(0.12)
Operating profit before working capital changes		2,032.67	1,861.42
Changes in Working Capital:			
Adjustments for Decrease / (Increase) in operating assets:			
Decrease / (Increase) in Trade receivable, loans and advances and other assets	6-7,9,11 & 14-17	(265.16)	(778.19)
Decrease / (Increase) in Inventories	10	(279.03)	(173.81)
Adjustments for Increase / (Decrease) in operating liabilities:			
Increase / (Decrease) in Trade payables, Other liabilities and Provisions	20, 23, 24 & 25	156.13	863.02
Cash generated from operations		1,644.61	1,772.44
Direct tax paid - (Net of refunds)		(526.53)	(217.68)
Net Cash flow from operating activities		**1,118.08**	**1,554.76**
B. Cash flow from investing activities			
Loans to subsidiary companies	42	(0.29)	(0.10)
Purchase of Property, Plant and Equipments (Including Capital work-in-progress and Capital Advances)		(517.65)	(533.79)
Proceeds from sale of Property, Plant and Equipment		22.57	14.42
Proceeds from sale of non current investments in Shiva Cement Limited		-	38.67
Net proceeds from sale of mutual funds		33.43	23.78
Investment in bank deposits (having original maturity for more than 12 months)	7	(4.35)	-
Investment in bank deposits (having original maturity for more than 3 months)	13	(117.39)	(2.06)
Redemption of bank deposits (having original maturity for more than 3 months)	13	125.54	-
Dividend received from Associate / Joint venture	27	1.09	4.75
Interest received		89.27	69.75
Net cash used in investing activities		**(367.78)**	**(384.58)**

STATEMENT OF CASH FLOW for the year ended December 31, 2018 (Contd.)

Particulars	Note no.	For the year ended December 31, 2018	For the year ended December 31, 2017
		₹ Crore	₹ Crore
C. Cash flow from financing activities			
Interest paid		(40.89)	(42.02)
Proceeds from short-term borrowing from Subsidiary Company	42	-	4.15
Repayment of short-term borrowing from Subsidiary Company (Refer Note - 2 below)	42	(60.64)	-
Dividend paid	52	(281.68)	(319.24)
Dividend Distribution Tax paid	52	(57.90)	(64.99)
Net cash used in financing activities		**(441.11)**	**(422.10)**
Net increase in cash and cash equivalents		**309.19**	**748.08**
Add: Cash and cash equivalents at the beginning of the year	12	2,526.74	1,777.78
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	27	0.91	0.88
Cash and cash equivalents at the end of the year	12	**2,836.84**	**2,526.74**

The accompanying notes are an integral part of the financial statements

Notes :

1 Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 on Cash Flow Statements.

2 Changes in liability arising from financing activities

Particulars	As at January 01, 2018	Non cash Changes Conversion of Interest	Cash flow	As at December 31, 2018
Current borrowing - Loan from a subsidiary	59.17	1.47	(60.64)	-

In terms of our report attached

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

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018

Company Overview and Significant Accounting Policies:

Corporate Information

ACC Limited ("the Company"), is a public company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange Limited (BSE) of India. The registered office of the Company is located at Cement House, 121, Maharshi Karve Road, Mumbai – 400020, India.

The Company is principally engaged in the business of manufacturing and selling of Cement and Ready Mix Concrete. The Company has manufacturing facilities across India and caters mainly to the domestic market.

1. Significant Accounting Policies

I. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') 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 financial statements were approved for issue in accordance with the resolution of the Board of Directors on February 05, 2019.

II. Basis of Preparation

These financial statements have been prepared on a historical cost basis, except for the following material items in the Balance Sheet:

a) Certain financial assets and liabilities are measured at fair value (refer Note 1(X) for accounting policy on Financial Instruments);

b) Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell; and

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation.

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.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability 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 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii. Level 2 — inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 — inputs that are unobservable for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

III. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

IV. Classification of Current / Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets / liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of Current / Non-current classification of assets and liabilities.

V. Property, Plant and Equipment

Recognition and measurement

a) Property, Plant and Equipment are stated at cost of acquisition / installation or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses, if any).

Cost comprises the purchase price, including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs.

The present value of the expected cost for the decommissioning of an asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

b) 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.

c) When a major inspection is performed, its cost is recognised in the carrying amount of the Property, 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.

d) 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.

e) Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition / construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

f) An item of Property, Plant and Equipment and any significant part initially recognised 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 under "Other Income / Other Expenses" when the asset is derecognised.

g) The Company had elected to continue with the carrying value of all its Property, Plant and Equipment as recognised in the financial statements as at transition date to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Depreciation and amortisation

a) Leasehold non-mining land held under finance lease is amortised over the period of lease on a straight-line basis.

b) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non-mining land is not depreciated.

c) Depreciation on Property, Plant and Equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight-line method and on CPP assets using the written down value method based on their respective estimated useful lives.

The Company identifies and determines cost of each component / part of the asset and depreciates 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.

Estimated useful lives of assets are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & Fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

d) Depreciation on additions to Property, Plant and Equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

e) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided upto the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

f) Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

g) The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

h) 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.

VI. Intangible Assets

Recognition and Measurement

a) Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

b) 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 item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c) The Company had elected to continue with the carrying value of all its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

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 are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

VII. Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax 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 the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

VIII. Business Combinations and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The Company measures goodwill as of the acquisition date at the difference of the fair value consideration transferred (including fair value of previously held interest and contingent consideration) less the net fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed. When such difference results into deficit, the excess is recognised in equity as capital reserve.

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

IX. Inventories

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores and Spare parts, Packing Material and Fuels

At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

b) Work-in-progress, Finished Goods and Stock-in-Trade

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 costs incurred in bringing the inventories to the present location and condition. Cost is determined on a 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.

X. 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.

a) Financial assets

The Company's financial assets comprise the following:

i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions, (f) other short-term receivables (including incentive receivable from Government) and deposits and (g) forward contract.

ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits and (b) other long-term receivables (including incentive receivable from Government) and deposits.

Initial recognition and measurement

The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified in the following categories:

i. <u>Financial assets at amortised cost</u>

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. <u>Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL</u>

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Company does not own any financial asset classified at fair value though other comprehensive income.

iii. <u>Financial assets at fair value through profit or loss (FVTPL)</u>

<u>Debt instrument at FVTPL</u>

FVTPL is a residual category for debt instruments. Any debt instrument, which does not

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

A financial asset that meets 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 Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item of Statement of Profit and Loss.

<u>Equity instruments</u>

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'other income' line item of Statement of Profit and Loss.

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 Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

The Company has not designated investment in any equity instruments as FVTOCI.

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.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's financial statements) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its 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

   (i) the Company has transferred substantially all the risks and rewards of the asset, or

   (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, bond, incentive receivable from Government; and

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 18 "Revenue", if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, Twelve 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 Twelve month ECL.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The Twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve month 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 effective interest rate (EIR).

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss. This amount is reflected in a separate line in the Statement of Profit and Loss under the head 'Other expenses' as an impairment gain or loss.

For financial assets measured 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.

b) Financial liabilities and equity instruments

Classification as debt or equity

An instruments issued by a 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.

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 Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

The Company's current financial liabilities mainly comprise (a) borrowings, (b) trade payables, (c) liability for capital expenditure, (d) security deposit, (e) other payables and (f) forward contract.

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.

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Company. All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

(a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

(b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or

(c) it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Company does not owe any financial liability which is either classified or designated at fair value though profit or loss.

Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Company's financial statements) when, and only when, the obligation under the liability is discharged or cancelled or expired.

An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "Financial Instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set-off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

XI. Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income / interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts / 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

XII. Investment in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company had elected to measure its investments in subsidiaries, associates and joint ventures at the Previous GAAP carrying amount and use it as its deemed cost on the transition date.

XIII. Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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.

These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within 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.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. The Company does not recognise a contingent asset, if any, but discloses in the financial statements.

XIV. Site Restoration and Other Environmental Provisions

The Company provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss.

XV. Foreign Currency Transactions / Translations

These financial statements are presented in Indian Rupees (₹).

Transactions in currencies other than Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

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

XVI. Revenue Recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, rebates and other similar allowances as applicable. The Company collects Sales Tax and Value Added Tax (Pre GST) and Goods and Services Tax (GST) on behalf of the Government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Rendering of services

Revenue from services is recognised with reference to the stage of completion of a contract when outcome can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income and royalties

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

basis, by reference to the principal outstanding and at the effective interest rate applicable. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

XVII. Retirement and Other Employee Benefits

a) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plans

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.

c) Defined Benefit Plans

The Company's gratuity scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Defined benefit costs are categorised as follows:

i) The current service cost of the defined benefit plans, recognised in the Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Statement of Profit and Loss when they occur.

ii) 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. This cost is included in finance cost in the Statement of Profit and Loss.

iii) Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), 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.

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. Periodic contributions to the fund are charged to the Statement of Profit and Loss. 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. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

d) Accumulated Compensated Absences

Accumulated compensated absences which are expected to be settled wholly within twelve 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.

e) Other Long-term benefits

Long service awards and accumulated compensated absences which are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The Company's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Statement of Profit and Loss.

f) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

i. when the Company can no longer withdraw the offer of those benefits; and

ii. when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" 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 twelve months after the end of the reporting period are discounted to present value.

g) Presentation and disclosure

For the purpose of presentation of defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. 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.

XVIII. 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. This condition is regarded as met only

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

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 asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

XIX. Borrowing Costs

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

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

XX. Taxation

Tax expense comprises current 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.

Current income tax

Current income tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income Tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

Current income tax relating to items is 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.

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; and

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; and

b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of Profit & 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 income tax levied by the same taxation authority.

Minimum alternate tax

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

XXI. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

<u>Company as a lessee:</u>

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The finance expense is allocated to

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and included in Property, Plant and Equipment. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Company in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

XXII. Segment Reporting

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of Directors of the Company has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Company and makes strategic decisions.

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Segment policies

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

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ("CODM").

XXIII. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and cheques on hand, cash at banks, demand deposits from banks and short term, highly liquid instruments. As part of the Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short term highly liquid instruments that are held for a period of three months or less from the date of acquisition. These short term highly liquid instruments are open-ended debt funds and certificates of deposit that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

XXIV. Government Grants and Subsidies

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

b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

c) Where the government grant / subsidy relates to revenue, it is 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 grant and subsidy receivable against an expense are deducted from such expense.

d) Where the grant or subsidy relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

XXV. Earnings Per Share

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

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.

XXVI. Use of Estimates and Judgements

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

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 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 summarized below:

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are 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.

Recognition of deferred tax assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized.

Measurement of site restoration provisions

The measurement of site restoration provisions requires long term assumptions regarding the phasing of the restoration work to be carried out and the appropriate discount rate to be used.

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialized lawyers.

The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurement of financial instruments

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Useful lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset / component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the asset.

Impairment of investments in subsidiaries, associates and joint ventures

Determining whether the investments in subsidiaries, associates and joint ventures are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses / operations of the investee companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

XXVII. New Ind AS that has been issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) notified the new revenue recognition standard, viz., Ind AS 115 "Revenue from Contracts with Customers". Ind AS 115 is applicable to the Company from January 01, 2019. As consequence of issue of Ind AS 115, other relevant Ind AS have been accordingly amended. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

It prescribes a five-step model to help entities decide the timing and amount of revenue recognition from contracts with customers.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company will adopt the standard from January 01, 2019. The Company has completed its evaluation of the possible impact of Ind AS 115. Except for the disclosure requirements, application of above standard is not expected to have any significant impact on the Company's Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 2. PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (V) for accounting policy on Property, Plant and Equipment

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Depreciation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	As at December 31, 2017
Tangible Assets :										
Freehold Non-Mining Land	130.61	3.03	0.02	133.62	-	-	-	-	133.62	130.61
Freehold Mining Land	304.45	2.09	-	306.54	0.51	0.26	-	0.77	305.77	303.94
Leasehold Land	39.21	0.26	-	39.47	0.79	0.54	-	1.33	38.14	38.42
Buildings	1,608.57	48.87	2.76	1,654.68	141.42	78.33	1.37	218.38	1,436.30	1,467.15
Plant and Equipment	5,973.02	341.42	25.08	6,289.36	1,002.87	470.77	8.06	1,465.58	4,823.78	4,970.15
Railway Sidings	243.31	8.52	-	251.83	33.49	20.68	-	54.17	197.66	209.82
Furniture and Fixtures	24.85	2.61	0.96	26.50	8.98	3.86	0.35	12.49	14.01	15.87
Vehicles	57.07	11.95	0.40	68.62	17.76	9.92	0.28	27.40	41.22	39.31
Office equipment	52.69	6.49	0.57	58.61	26.71	10.71	0.52	36.90	21.71	25.98
TOTAL	**8,433.78**	**425.24**	**29.79**	**8,829.23**	**1,232.53**	**595.07**	**10.58**	**1,817.02**	**7,012.21**	**7,201.25**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Depreciation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2017	As at December 31, 2016
Tangible Assets :										
Freehold Non-Mining Land	130.61	-	-	130.61	-	-	-	-	130.61	130.61
Freehold Mining Land	302.01	2.44	-	304.45	0.24	0.27	-	0.51	303.94	301.77
Leasehold Land	36.34	2.87	-	39.21	0.28	0.51	-	0.79	38.42	36.06
Buildings	1,573.99	35.71	1.13	1,608.57	64.47	77.23	0.28	141.42	1,467.15	1,509.52
Plant and Equipment	5,743.89	251.41	22.28	5,973.02	495.54	512.02	4.69	1,002.87	4,970.15	5,248.35
Railway Sidings	192.97	50.34	-	243.31	13.69	19.80	-	33.49	209.82	179.28
Furniture and Fixtures	22.46	2.58	0.19	24.85	4.62	4.48	0.12	8.98	15.87	17.84
Vehicles	50.57	7.01	0.51	57.07	8.71	9.29	0.24	17.76	39.31	41.86
Office equipment	45.83	7.30	0.44	52.69	13.76	13.32	0.37	26.71	25.98	32.07
TOTAL	**8,098.67**	**359.66**	**24.55**	**8,433.78**	**601.31**	**636.92**	**5.70**	**1,232.53**	**7,201.25**	**7,497.36**

Note: Buildings include cost of shares ₹ 4,120 (Previous Year - ₹ 4,120) in various Co-operative Housing Societies, in respect of 8 (Previous Year - 8) residential flats.

NOTE 3. OTHER INTANGIBLE ASSETS

Refer Note 1 (VI) for accounting policy on Intangible Assets

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Amortisation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	As at December 31, 2017
Intangible Assets:										
Computer Software	2.62	0.11	-	2.73	1.04	0.83	-	1.87	0.86	1.58
Mining Rights	43.54	1.91	-	45.45	5.35	3.74	-	9.09	36.36	38.19
TOTAL	**46.16**	**2.02**	**-**	**48.18**	**6.39**	**4.57**	**-**	**10.96**	**37.22**	**39.77**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Amortisation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2017	As at December 31, 2016
Intangible Assets:										
Computer Software	3.83	0.35	1.56	2.62	0.30	0.74	-	1.04	1.58	3.53
Mining Rights	26.95	16.59	-	43.54	2.89	2.46	-	5.35	38.19	24.06
TOTAL	**30.78**	**16.94**	**1.56**	**46.16**	**3.19**	**3.20**	**-**	**6.39**	**39.77**	**27.59**

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 4. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Measured at cost)

Refer Note 1 (XII) for accounting policy on Investment in subsidiaries, associates and joint ventures

Particulars	As at December 31, 2018			As at December 31, 2017	
	Numbers	₹ Crore		Numbers	₹ Crore
Investment in Unquoted equity instruments					
Investment in subsidiaries					
Face value ₹ 10 each fully paid					
Bulk Cement Corporation (India) Limited	3,18,42,050	37.27		3,18,42,050	37.27
Singhania Minerals Private Limited	5,20,000	5.50		5,20,000	5.50
Face value ₹ 100 each fully paid (Refer Note - 45)					
Lucky Minmat Limited	3,25,000	38.10		3,25,000	38.10
ACC Mineral Resources Limited	1,21,95,000	106.80		1,21,95,000	106.80
Less: Accumulated impairment		42.81			42.81
		63.99			63.99
National Limestone Company Private Limited	2,00,000	14.02		200,000	14.02
Investment in Associates					
Face value ₹ 10 each fully paid					
Alcon Cement Company Private Limited	4,08,001	22.25		4,08,001	22.25
Asian Concretes and Cements Private Limited	81,00,000	36.81		81,00,000	36.81
Investment in Joint Ventures					
Face value ₹ 10 each fully paid					
Aakaash Manufacturing Company Private Limited	4,401	6.01		4,401	6.01
OneIndia BSC Private Limited	25,01,000	2.50		25,01,000	2.50
TOTAL			**226.45**		**226.45**

Notes

(I) Aggregate amount of unquoted Investments	226.45	226.45
(II) Aggregate amount of impairment in value of investments in unquoted equity shares	42.81	42.81

NOTE 5. NON-CURRENT - INVESTMENTS

Refer Note 1 (X) for accounting policy on Investments

Particulars	As at December 31, 2018			As at December 31, 2017	
	Numbers	₹ Crore		Numbers	₹ Crore
Investment at fair value through profit or loss (FVTPL)					
Investment in equity instruments (fully paid)					
(i) Quoted					
Face value ₹ 2 each fully paid					
Shiva Cement Limited	-	-		2,36,50,000	28.35
Less: Sold during the previous year		-		2,36,50,000	28.35
			-		-
(ii) Unquoted*					
Face value ₹ 10 each fully paid					
Kanoria Sugar & General Mfg. Company Limited	4	-		4	-
Gujarat Composites Limited	60	-		60	-
Rohtas Industries Limited	220	-		220	-
The Jaipur Udyog Limited	120	-		120	-
Digvijay Finlease Limited	90	-		90	-
The Travancore Cement Company Limited	100	-		100	-
Ashoka Cement Limited	50	-		50	-
Face value ₹ 5 each fully paid					
The Sone Valley Portland Cement Company Limited	100	-		100	-
			-		-
Investment at amortised cost					
Investment in Unquoted bonds					
Face value ₹ 10,00,000 each fully paid					
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	3.70	37	3.70
TOTAL			**3.70**		**3.70**

Notes		
(I) Aggregate value of unquoted investments	**3.70**	3.70
(II) * Each of such investments is carried at value less than ₹ 50,000		

Refer Note 49 for information about fair value measurement and Note 50 for credit risk and market risk of investments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 6. NON-CURRENT LOANS

Considered good - unsecured

Refer Note 1 (X) for accounting policy on Loans

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Security deposits	150.04	202.65
Loans to Employees	11.19	13.23
TOTAL	**161.23**	**215.88**

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for information about credit risk of loans

NOTE 7. OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (X) for accounting policy on Financial Instruments

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Incentives under Government schemes (Refer Note - 53)	320.92	410.28
Bank deposits with more than 12 months maturity	0.26	0.06
Margin money deposit with more than 12 months maturity*	4.15	-
TOTAL	**325.33**	**410.34**

*Margin money deposit is against bank guarantees given to Government authorities.

Refer Note 50 for information about credit risk of other financial assets

NOTE 8. NON-CURRENT TAX ASSETS (NET)

Refer Note 1 (XX) for accounting policy on Taxation

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Advance tax {(Net of provision for tax) (Refer Note - 21)}	673.01	295.44
TOTAL	**673.01**	**295.44**

NOTE 9. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Capital Advances	180.65	214.98
Advance other than Capital Advances		
Other claim receivables from Government		
Unsecured, considered good	156.02	146.50
Considered doubtful	4.32	4.38
Less: Allowance for doubtful receivables	(4.32)	(4.38)
	156.02	146.50
Deposits with Government Bodies and Others		
Unsecured, considered good	275.10	252.23
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	275.10	252.23
Lease Prepayments	-	2.78
TOTAL	**611.77**	**616.49**

NOTE 10. INVENTORIES

At lower of cost and net realizable value

Refer Note 1 (IX) for accounting policy on Inventories

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Raw Materials {Including goods-in-transit ₹ 11.22 Crore (Previous year - ₹ 10.85 Crore)}	185.73	153.96
Work-in-Progress	222.89	230.87
Finished Goods	293.41	161.26
Stock-in-trade	0.98	0.17
Stores and Spares {Including goods-in-transit ₹ 20.70 Crore (Previous year - ₹ 16.19 Crore)}	393.84	383.22
Packing Materials	21.83	25.79
Fuels {Including goods-in-transit ₹ 46.37 Crore (Previous year - ₹ 51.78 Crore)}	559.88	448.68
TOTAL	**1,678.56**	**1,403.95**

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 in the current year is ₹ 4.42 Crore. In the previous year reversal of write-down of inventories of ₹ 6.39 Crore was consequent to consumption of inventories which were earlier written down.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 11. TRADE RECEIVABLES

Refer Note 1 (X) for accounting policy on Trade receivables

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Considered good - Secured	105.90	85.38
Considered good - Unsecured	762.36	582.82
Receivables which have significant increase in credit risk {(Refer Note 50 (i)}	24.65	29.03
	892.91	697.23
Less : Allowance for doubtful receivables	(24.65)	(29.03)
TOTAL	**868.26**	**668.20**

No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for information about credit risk of trade receivables.

NOTE 12. CASH AND CASH EQUIVALENTS

Refer Note 1 (XXIII) for accounting policy on Cash and Cash Equivalents

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Balances with banks:		
In current accounts	96.16	175.55
Deposits with original maturity of less than three months	1,015.00	500.00
	1,111.16	**675.55**
Cheques on hand*	98.66	34.24
Cash on hand	-	0.01
Deposit with other than banks with original maturity of less than three months	100.00	100.00
Post office saving accounts	0.01	0.01
	1,309.83	**809.81**
Investments in liquid mutual funds measured at FVTPL	690.91	952.10
Certificates of deposit with original maturity of less than three months	836.10	764.83
TOTAL	**2,836.84**	**2,526.74**

*Cheques on hand are cleared subsequent to the year end.

NOTE 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	114.98	121.32
**Margin money deposits with original maturity for more than 3 months but less than 12 months	13.88	15.69
#On unpaid dividend accounts	34.63	31.65
TOTAL	**163.49**	**168.66**

*Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) of ₹ 114.76 Crore {(Previous year - ₹ 121.21 Crore) - Refer Note -40 (A) (a)}.

**Margin money deposit is against bank guarantees given to Government authorities.

#These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

NOTE 14. CURRENT - LOANS

Considered good - unsecured

Refer Note 1 (X) for accounting policy on Loans

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Security deposits	72.02	34.16
Loans and advances to related parties (Refer Note - 42)	1.56	0.66
Loans to Employees	5.29	6.14
TOTAL	**78.87**	**40.96**

No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for information about credit risk of loans

NOTE 15. OTHER CURRENT FINANCIAL ASSETS

Refer Note 1 (X) for accounting policy on Financial Instruments

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Incentives under Government schemes (Refer Note - 53)	208.02	-
Interest Accrued on Investments	16.78	7.69
Other Accrued Interest	1.22	1.18
TOTAL	**226.02**	**8.87**

Refer Note 50 for information about credit risk and market risk of other financial assets

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 16. OTHER CURRENT ASSETS

Unsecured, Considered Good

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Advances other than capital advances		
Advance to suppliers	322.68	428.31
Prepaid expenses	23.59	22.16
Other receivables		
Balances with statutory / government authorities	331.47	292.50
Lease Prepayments	-	3.72
Others	40.64	40.66
TOTAL	**718.38**	**787.35**

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.

NOTE 17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Refer Note 1 (XVIII) for accounting policy on Non-current assets held for sale

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Plant and equipment (i)	6.44	7.69
Building (ii)	5.11	5.39
TOTAL	**11.55**	**13.08**

(i) The Company intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Company expects the fair value less cost to sell to be higher than carrying amount.

(ii) The Company intends to dispose off buildings (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ₹ 0.28 Crore (Previous year - ₹ 0.28 Crore) is recognised in the Statement of Profit and Loss under other expenses.

NOTE 18. EQUITY SHARE CAPITAL

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Authorised		
22,50,00,000 (Previous year - 22,50,00,000) Equity shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous year - 10,00,00,000) Preference shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous year - 18,87,93,243) Equity shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 (Previous year - 18,77,87,263) Equity shares of ₹ 10 each fully paid	187.79	187.79
Add : 3,84,060 (Previous year - 3,84,060) Equity shares of ₹ 10 each forfeited - amount originally paid	0.20	0.20
TOTAL	**187.99**	**187.99**

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	₹ Crore
As at January 01, 2017	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2017	**18,77,87,263**	**187.79**
Increase/ (decrease) during the year	-	-
As at December 31, 2018	**18,77,87,263**	**187.79**

ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per 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.

iii) Equity shares held by holding company/ ultimate holding company and/ or their subsidiaries/ associates

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Ambuja Cements Limited, the holding company 9,39,84,120 (Previous year - 9,39,84,120) Equity shares ₹ 10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited 84,11,000 (Previous year - 84,11,000) equity shares ₹ 10 each fully paid	8.41	8.41

Companies referred above are subsidiaries of LafargeHolcim Ltd, Switzerland, the ultimate holding company.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 18. EQUITY SHARE CAPITAL (contd.)

iv) Details of shareholders holding more than 5% shares in the Company

Particulars	As at December 31, 2018		As at December 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	93,984,120	50.05
Life Insurance Corporation of India	1,94,05,142	10.33	19,405,142	10.33

v) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

NOTE 19. OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Capital Reserve	67.81	67.81
Securities Premium	845.03	845.03
General Reserve	2,723.30	2,723.30
Retained earnings	6,703.53	5,541.33
TOTAL	**10,339.67**	**9,177.47**

The description of the nature and purpose of each reserve within equity is as follows:

Capital Reserve: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Company.

NOTE 20. NON-CURRENT PROVISIONS

Refer Note 1 (XIII) for accounting policy on provisions

Refer Note 1 (XIV) for accounting policy on Site restoration provisions

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note - 37)	103.36	104.50
Provision for long service award	3.85	5.44
Other Provisions		
Provision for Site Restoration	32.31	32.09
TOTAL	**139.52**	**142.03**

NOTE 20. NON-CURRENT PROVISIONS (Contd.)

Note 20.1 - Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Opening Balance	32.09	30.82
Reversal of provision during the year (net)	(1.62)	(0.05)
Utilised during the year	(0.09)	(0.28)
Unwinding of discount and changes in the discount rate	1.93	1.60
Closing Balance	**32.31**	**32.09**

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

NOTE 21. INCOME TAX

Refer Note 1 (XX) for accounting policy on Taxation

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2018:

Particulars	For the year ended December 31, 2018		For the year ended December 31, 2017	
	₹ Crore	In %	₹ Crore	In %
Profit before tax	1,494.29		1,298.36	
At India's statutory income tax rate	522.10	34.94%	449.36	34.61%
Effect of Allowances for tax purpose				
- Investment allowance on new plant and machinery under Section 32 AC (Refer Note - 1 below)	-	-	(33.29)	(2.56%)
- Tax Holiday claim under Section 80-IA	(52.29)	(3.50%)	(54.92)	(4.23%)
Effect of Non-Deductible expenses				
- Corporate social responsibility expenses	7.13	0.48%	7.55	0.58%
- Others (including effect of change in tax rate)	11.73	0.79%	15.86	1.22%
Effect of Tax Exempt Income - Dividend	(0.38)	(0.03%)	(1.65)	(0.13%)
	(33.81)	**(2.26%)**	**(66.45)**	**(5.12%)**
At the effective income tax rate	**488.29**	**32.68%**	**382.91**	**29.49%**
Tax adjustments for earlier years (Refer Note - 2 below)	(500.63)	(33.50%)	-	-
Income tax expense reported in the Statement of Profit and Loss	**(12.34)**	**(0.83%)**	**382.91**	**29.49%**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under Indian tax law.

1. The Company was eligible for Investment allowance on new plant and machinery which was applicable upto assessment year 2017-2018.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 21. INCOME TAX (contd.)

2. Tax adjustments for earlier years

The Company was entitled to incentives in the form of excise duty benefit for its Gagal Plant in the state of Himachal Pradesh, in respect of Income Tax Assessment Years 2006-07 to 2015-16. The Company contended in its income tax returns that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income Tax department had, for the assessment years 2006-07 to 2012-13, consistently not accepted this position and appeals were filed by the Company against the orders of the Assessing officer, with the Commissioner of Income Tax – Appeals (CIT-A). The Company had received favourable order from the assessing officer in one instance (Assessment Year 2013-14), but considering the several unfavourable orders by the tax department, the Company had up to December 31, 2017, classified the risk of an ultimate outflow of economic benefits for this matter as probable and provided for the same.

During the current year, the CIT-A decided the issue in favour of the Company for two assessment years, 2008-09 and 2012-13. Appeals in respect of these two and other years are pending with different levels of appellate authorities for disposal. Additionally for the Assessment year 2014-15, the department had accepted the Company's contention that these incentives are capital receipts in the assessment order received during the current year. During the current year, however, for the two assessment years with favourable orders by the Assessing officer, the department has issued show cause notices for revisionary proceedings under Section 263 of the Income-tax Act in respect of this claim, which are being contested.

In view of the series of repeated favourable orders from the tax department, in the current year the Company again reviewed the matter and, after considering the legal merits of the Company's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT-A during the current year, as mentioned above, the Company has reassessed the risk and concluded that the risk of an ultimate outflow of economic benefits for this matter is no longer probable.

Accordingly the Company has reversed the existing provisions of ₹ 500.63 Crore resulting in reduction in Current Tax Liabilities by ₹ 200.30 Crore, increase in MAT Credit Entitlement (net) of ₹ 34.72 Crore and an increase in Non-Current Tax Assets (Net) by ₹ 265.61 Crore.

Pending final legal closure of this matter the said amount has been disclosed under contingent liabilities in the financial statements.

Deferred tax:

Deferred tax relates to the following:

Particulars	**As at December 31, 2018** ₹ Crore	**As at December 31, 2017** ₹ Crore
Deferred Tax Liabilities:		
Depreciation and amortisation differences	895.13	861.13
	895.13	861.13
Deferred Tax Assets:		
MAT Credit Entitlement	22.67	115.73
Provision for employee benefits	47.37	41.71
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	103.77	105.44
Allowance for obsolescence of Stores and Spares	9.88	9.88
Allowance for doubtful receivables and other assets	11.79	13.07
Other temporary differences	36.56	33.94
	232.04	319.77
Net Deferred Tax Liabilities	**663.09**	**541.36**

NOTE 21. INCOME TAX (contd.)

The major components of deferred tax liabilities / assets arising on account of timing differences are as follows:

₹ Crore

Particulars	Net Balance as on January 01, 2018	Recognised in Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2018
Deferred Tax Liabilities:					
Depreciation and amortisation differences	861.13	34.00	-	-	895.13
	861.13	**34.00**	**-**	**-**	**895.13**
Deferred Tax Assets:					
MAT Credit Entitlement*	115.73	-	-	(93.06)	22.67
Provision for employee benefits	41.71	3.06	2.60	-	47.37
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	105.44	(1.67)	-	-	103.77
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	13.07	(1.28)	-	-	11.79
Other temporary differences	33.94	2.62	-	-	36.56
	319.77	**2.73**	**2.60**	**(93.06)**	**232.04**
Net Deferred Tax Liabilities	**541.36**	**31.27**	**(2.60)**	**93.06**	**663.09**

*MAT Credit utilised is net of MAT Credit Entitlement of ₹ 34.72 Crore increased on account of tax adjustments for earlier years as stated above.

₹ Crore

Particulars	Net Balance as on January 01, 2017	Recognised in statement of Profit and Loss profit or loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2017
Deferred Tax Liabilities:					
Depreciation and amortisation differences	775.68	85.45	-	-	861.13
	775.68	**85.45**	**-**	**-**	**861.13**
Deferred Tax Assets:					
MAT Credit Entitlement	117.55	59.13	-	(60.95)	115.73
Provision for employee benefits	44.08	(1.12)	(1.25)	-	41.71
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	105.59	(0.15)	-	-	105.44
Allowance for obsolescence of Stores and Spare	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	17.27	(4.20)	-	-	13.07
Other temporary differences	33.94	-	-	-	33.94
	328.31	**53.66**	**(1.25)**	**(60.95)**	**319.77**
Net Deferred Tax Liabilities	**447.37**	**31.79**	**1.25**	**60.95**	**541.36**

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.

The Company expects to utilize the MAT credit within the next year.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 22. CURRENT BORROWINGS

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Unsecured		
Loan from a related party (Refer Note - 42)	-	59.17
(From a wholly owned subsidiary)		
	-	**59.17**

The above loan was repayable on demand and carried rate of interest in the range of 7% to 7.5% p.a. (Previous year - 7% to 7.5% p.a.)

NOTE 23. OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (X) for accounting policy on Financial Instruments

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Financial Liabilities at amortised cost		
Interest accrued	24.18	18.17
Unpaid dividends*	34.63	31.65
Security deposits and retention money	553.40	530.56
Liability for capital expenditure	67.99	59.85
Others	92.32	78.58
Financial Liabilities at fair value		
Foreign currency forward contract	1.19	-
TOTAL	**773.71**	**718.81**

*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 24. OTHER CURRENT LIABILITIES

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Statutory dues payable	575.78	595.44
Advance from customers	226.80	188.63
Other payables	986.42	948.59
(including Rebates to customers, interest on income tax, etc.)		
TOTAL	**1,789.00**	**1,732.66**

NOTE 25. CURRENT PROVISIONS

Refer Note 1 (XIII) for accounting policy on provisions

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Provision for gratuity and staff benefit schemes (Refer Note - 37)	18.16	29.55
Provision for compensated absences	8.12	20.81
Provision for long service award	1.02	0.83
TOTAL	**27.30**	**51.19**

NOTE 26. REVENUE FROM OPERATIONS

Refer Note 1 (XVI) for accounting policy on Revenue recognition

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Sale of products (including excise duty) *	14,470.19	13,837.51
Income from services rendered	7.28	9.03
Sale of products and services	14,477.47	13,846.54
Other Operating Revenue		
Provision no longer required written back	24.59	10.81
Scrap Sales	42.88	29.26
Incentives**	162.31	151.57
Miscellaneous Income	94.10	162.01
(including insurance claim, other services, etc.)		
TOTAL	**14,801.35**	**14,200.19**

*The Government of India introduced the Goods and Services tax (GST) with effect from July 01, 2017.

Sales for the previous year include excise duty up to June 30, 2017 of ₹ 937.60 Crore.

Excise Duty expense of ₹ 915.59 Crore upto June 30, 2017 is shown separately on the face of the Statement of Profit and Loss. Excise Duty expense includes excise duty variation on opening and closing stock.

**Government grants have been accrued for the GST / VAT refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 27. OTHER INCOME

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Interest income using the effective interest rate method		
Interest on bank deposits	93.01	67.13
Interest on Income Tax	-	14.86
Other interest income	9.12	9.93
	102.13	91.92
Dividend from non-current investments from associate / joint venture	1.09	4.75
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	33.43	23.78
Net gain on fair valuation of current financial assets measured at FVTPL*	0.91	0.88
Gain on sale of non - current financial assets measured at FVTPL	-	10.32
Net gain on disposal of Property, Plant and Equipment	0.94	-
TOTAL	**138.50**	**131.65**

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

NOTE 28. COST OF MATERIALS CONSUMED

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Inventories at the beginning of the year	153.96	131.07
Add: Purchases	2,402.00	2,005.41
	2,555.96	2,136.48
Less: Inventories at the end of the year	185.73	153.96
TOTAL	**2,370.23**	**1,982.52**

Details of cost of materials consumed	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Slag	464.91	326.94
Gypsum	356.25	343.23
Fly Ash	455.30	384.54
Cement	105.75	82.92
Aggregates	238.55	195.59
Others*	749.47	649.30
TOTAL	**2,370.23**	**1,982.52**

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

NOTE 29. PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Cement	79.32	0.16
Ready Mix Concrete	9.94	0.68
TOTAL	**89.26**	**0.84**

NOTE 30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Inventories at the end of the year		
Stock-in-Trade	0.98	0.17
Finished Goods	293.41	161.26
Work-in-progress	222.89	230.87
	517.28	**392.30**
Inventories at the beginning of the year		
Stock-in-Trade	0.17	0.02
Finished Goods	161.26	138.64
Work -in-progress	230.87	238.74
	392.30	377.40
	(124.98)	**(14.90)**

NOTE 31. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Salaries and Wages*	773.47	708.81
Contributions to Provident and other Funds	58.09	58.20
Staff welfare expenses	49.50	51.94
TOTAL	**881.06**	**818.95**

*Salaries and Wages expense for the year ended December 31, 2018 include ₹ 70.37 Crore (Previous year - Nil) on account of charge for Employee Separation Scheme.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 32. FREIGHT AND FORWARDING EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
On Clinker transfer	515.82	480.83
On finished products	3,495.59	2,970.14
TOTAL	**4,011.41**	**3,450.97**

NOTE 33. FINANCE COSTS

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Interest		
- On Income tax	29.59	52.99
- On Defined benefit obligation (net) - (Refer Note - 37)	9.31	8.22
- Interest on deposits from dealers	28.89	24.14
- Interest on Royalty on limestone	10.31	-
- Interest on loan from related party (Refer Note - 42)	1.47	3.77
- Others	7.70	11.58
Unwinding of discount on site restoration provision (Refer Note - 20.1)	1.93	1.60
TOTAL	**89.20**	**102.30**

NOTE 34. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Depreciation on Property, Plant and Equipment	595.07	636.92
Amortisation of intangible assets	4.57	3.20
TOTAL	**599.64**	**640.12**

NOTE 35. OTHER EXPENSES

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Consumption of stores and spare parts	318.72	331.14
Consumption of packing materials	502.59	434.36
Rent	137.11	139.79
Rates and taxes	151.48	151.85
Repairs	168.82	170.25
Insurance	21.29	21.79
Royalties on minerals (Refer Note 1 below)	269.16	224.12
Advertisement	72.10	87.42
Technology and Know-how fees	144.46	128.37
Impairment losses on financial assets {(including reversals of impairment losses) (Refer Note - 50(i))}	5.39	2.20
Corporate Social Responsibility expense (Refer Note 3 below)	20.45	21.82
Miscellaneous expenses (Refer Note 2 below)	722.76	715.66
TOTAL	**2,534.33**	**2,428.77**

Notes

1. Royalties on minerals expense is net of ₹ Nil (Previous year - ₹ 34.20 Crore) related to provision for contribution towards District Mineral Foundation (DMF) under the Mines and Minerals (Development and Regulation) Amendment Act, 2015, written back on the basis of Supreme Court's favourable Judgement dated October 23, 2017.
2. (i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations..
   (ii) Miscellaneous expenses includes Grinding facility charges, Commission on sales, Information technology services, Traveling expenses, Other third party services, etc.
   (iii) Miscellaneous expenses includes net loss of ₹ 3.23 Crore (Previous year - ₹ 4.23 Crore) on foreign currency transaction and translation.
   (iv) Miscellaneous expenses includes net loss of ₹ 2.12 Crore (Previous year - ₹ Nil) on foreign currency forward contract.
   (v) Miscellaneous expenses includes Loss on sale / write off of Property, Plant and Equipment (net) of ₹ Nil (Previous year - ₹ 2.89 Crore).
   (vi) Payments to Statutory Auditors (excluding applicable taxes)

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
As auditors		
Audit fees (including Quarterly Limited Reviews)	2.83	2.49
Audit fees for tax financial statements	0.45	-
Fees for other services	0.10	-
Reimbursement of expenses	0.07	0.04
TOTAL	**3.45**	**2.53**

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 35. OTHER EXPENSES (contd.)

3. Details of Corporate Social Responsibility expenses:

   The Company has spent ₹ 20.45 Crore (Previous Year - ₹ 21.82 Crore) towards various schemes of Corporate Social Responsibility. The details are:

   (a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹ 19.60 Crore (Previous year - ₹ 18.73 Crore) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

   (b) No amount has been spent on construction / acquisition of an asset of the company.

NOTE 36. EARNINGS PER SHARE - [EPS]

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		**For the year ended December 31, 2018** ₹ Crore	**For the year ended December 31, 2017** ₹ Crore
Profit attributable to equity shareholders (as per Statement of Profit and Loss)		1,506.63	915.45
Weighted average number of equity shares for Earnings Per Share computation			
Number of Shares for Basic Earnings Per Share		18,77,87,263	18,77,87,263
Effect of dilution:			
Number of Shares held in abeyance (Movement in number of shares is on account of change in average fair value of share)		4,55,189	4,76,618
Weighted average number of Equity shares adjusted for the effect of dilution		**18,82,42,452**	**18,82,63,881**
Earnings Per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	80.23	48.75
Diluted	₹	80.04	48.63

NOTE 36. EARNINGS PER SHARE - [EPS] (contd.)

The following reflects the basic and diluted EPS computations excluding "tax adjustments for earlier years ":

		For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Profit attributable to equity shareholders (as per Statement of Profit and Loss)		1,506.63	915.45
Less: Tax adjustments for earlier years (Refer Note - 21)		500.63	-
Profit before tax adjustments for earlier years		**1,006.00**	**915.45**
Earnings Per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	53.57	48.75
Diluted	₹	53.44	48.63

NOTE 37. EMPLOYEE BENEFITS

Refer Note 1 (XVII) for accounting policy on Employee benefits

a) **Defined Contribution Plans –** Amount recognised and included in Note 31 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹ 16.92 Crore (Previous year - ₹ 17.94 Crore)

b) **Defined Benefit Plans** – As per actuarial valuation on December 31, 2018.

The Company has defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan as given below:

i. The Company operates a Gratuity Plan through a trust for its all employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

iii. Benefits under Post Employment Medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.

Investment Strategy

The Company's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The Company has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The plans in India typically expose the Company to actuarial risks such as : investment risk, interest rate risk, longevity risk and salary risk.

Investment risk - As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 37. EMPLOYEE BENEFITS (contd.)

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined Benefit Plans as per Actuarial valuation on December 31, 2018

	Particulars	Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
		₹ Crore	₹ Crore	₹ Crore
I	**Expense recognised in the Statement of Profit and Loss – for the year ended December 31, 2018**			
	Components recognised in the Statement of Profit and Loss			
1	Current service cost	13.58	8.54	(0.31)
		13.75	*7.96*	*(0.30)*
2	Net interest cost	1.01	7.80	0.50
		0.94	*6.87*	*0.41*
3	Past service cost	-	(13.36)	-
		-	-	-
4	Net benefit expense	14.59	2.98	0.19
		14.69	*14.83*	*0.11*
	Components recognised in other comprehensive income (OCI)			
5	Actuarial (gains) / losses arising from change in financial assumptions	(1.85)	(0.82)	0.10
		(9.61)	*(6.49)*	*(0.42)*
6	Actuarial (gains) / losses arising from change in experience adjustments	3.49	1.62	3.31
		4.36	*5.94*	*2.18*
7	Loss on plan assets (Excluding amount included in net interest expenses)	1.60	-	-
		0.42	-	-
8	Sub-total - Included in OCI	3.24	0.80	3.41
		(4.83)	*(0.55)*	*1.76*
9	Total expense (4 + 8)	17.83	3.78	3.60
		9.86	*14.28*	*1.87*
II	**Amount recognised in Balance Sheet**			
1	Present value of Defined Benefit Obligation	(181.90)	(102.89)	(10.18)
		(197.92)	*(109.75)*	*(7.37)*
2	Fair value of plan assets	173.45	-	-
		180.99	-	-
3	Funded status {Surplus/(Deficit)}	(8.45)	(102.89)	(10.18)
		(16.93)	*(109.75)*	*(7.37)*
4	Net asset/(liability) as at December 31, 2018	(8.45)	(102.89)	(10.18)
		(16.93)	*(109.75)*	*(7.37)*

(Figures in italics pertain to previous year)

NOTE 37. EMPLOYEE BENEFITS (contd.)

	Particulars	Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
		₹ Crore	₹ Crore	₹ Crore
III	**Present value of Defined Benefit Obligation**			
1	Present value of Defined Benefit Obligation at beginning of the year	197.92 *204.21*	109.75 *106.11*	7.37 *6.53*
2	Current service cost	13.58 *13.75*	8.54 *7.96*	(0.31) *(0.30)*
3	Interest cost	13.73 *12.80*	7.80 *6.87*	0.50 *0.41*
4	Past service cost	- *-*	(13.36) *-*	- *-*
5	Actuarial (gains) / losses arising from changes in financial assumptions	(1.85) *(9.61)*	(0.82) *(6.49)*	0.10 *(0.42)*
6	Actuarial (gains) / losses arising from experience adjustments	3.49 *4.36*	1.62 *5.94*	3.31 *2.18*
7	Benefits Payments	(44.50) *(27.59)*	(10.64) *(10.64)*	(0.79) *(1.03)*
8	Increase/ (Decrease) due to effect of any business combination, divestitures, transfers	(0.47) *-*	- *-*	- *-*
9	Present value of Defined Benefit Obligation at the end of the year	181.90 *197.92*	102.89 *109.75*	10.18 *7.37*
IV	**Fair value of Plan Assets**			
1	Plan assets at the beginning of the year	180.99 *189.95*	- *-*	- *-*
2	Interest income	12.72 *11.86*	- *-*	- *-*
3	Contributions by Employer	21.00 *7.19*	- *-*	- *-*
4	Actual benefits paid	(39.66) *(27.59)*	- *-*	- *-*
5	Actuarial Gains / (Losses) arising from changes in financial assumptions	(1.60) *(0.42)*	- *-*	- *-*
6	Plan assets at the end of the year	173.45 *180.99*	- *-*	- *-*
V	**Weighted Average duration of Defined Benefit Obligation**	10 Years *7 Years*	10 Years *8.8 Years*	10.2 Years *8.7 Years*

(Figures in italics pertain to previous year)

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 37. EMPLOYEE BENEFITS (contd.)

VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2018 ₹ Crore

	Gratuity - Funded		Gratuity - Unfunded		PEMB	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(11.44)	13.02	(7.78)	8.53	(0.76)	0.89
Future salary growth (1% movement)	12.94	(11.59)	8.94	(8.28)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.37	(0.35)

Sensitivity Analysis as at December 31, 2017

	Gratuity - Funded		Gratuity - Unfunded		PEMB	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(12.13)	13.78	(8.22)	9.43	(0.52)	0.77
Future salary growth (1% movement)	12.98	(12.01)	7.42	(7.16)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.75	(0.68)

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.

VII The major categories of plan assets as a percentage of total plan (%)

Particulars	Gratuity	
	As at December 31, 2018	**As at December 31, 2017**
Debt instruments		
Government securities	54%	56%
Debentures and bonds	38%	35%
Equity shares	4%	6%
Cash and cash equivalents:		
Fixed deposits	4%	3%
	100%	**100%**

NOTE 37. EMPLOYEE BENEFITS (contd.)

VIII Actuarial Assumptions:

	Particulars	As at December 31, 2018	As at December 31, 2017
a)	**Financial Assumptions**		
1	Discount rate	7.45%	7.30%
2	Salary increase rate	7.00%	7.00%
b)	**Demographic Assumptions**		
1	Retirement age	60 years	60 years
2	Expected average remaining working lives of employees	10 years	10 years
3	Disability rate	5.00%	5.00%
4	Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate
5	Mortality post–retirement	Mortality for annuitants LIC (1996-98) Ultimate	Mortality for annuitants LIC (1996-98) Ultimate
6	Medical premium inflation	12% for the first four years and thereafter 8%	12% for the first four years and thereafter 8%

c) 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.

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) **Expected cash flows:**

Particulars		Funded Gratuity		Unfunded Gratuity		PEMB	
		As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
		₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
1.	Expected employer contribution in the next year	15.00	14.10	-	-	-	-
2.	Expected benefit payments						
	Year 1	20.95	19.66	8.89	11.54	0.83	1.08
	Year 2	20.42	27.81	9.02	10.91	0.86	1.00
	Year 3	21.30	27.94	9.57	11.74	0.91	1.04
	Year 4	22.38	26.78	11.26	11.24	0.95	1.03
	Year 5	20.04	27.77	10.34	12.05	0.99	1.02
	Next 5 years	77.47	125.28	44.14	55.95	4.90	4.70
Total expected payments		**182.56**	**255.24**	**93.22**	**113.43**	**9.44**	**9.87**

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the Statement of Profit and Loss.

g) Amount recognised as an expense under employee benefit expenses in the Statement of Profit and Loss in respect of compensated absences and long service award is ₹ 14.08 Crore (Previous year - ₹ 9.07 Crore).

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 37. EMPLOYEE BENEFITS (contd.)

c) Provident Fund

Provident Fund for certain eligible employees is managed by the Company through a Trust "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 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 ₹ 0.03 Crore (Previous year - Nil) is recognised in the Statement of Profit and Loss .

Defined benefit plans as per actuarial valuation on December 31, 2018

	Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
I	**Components of expense recognised in the Statement of Profit and Loss**		
1	Current service cost	22.71	23.14
2	Total expense	22.71	23.14
II	**Amount recognised in Balance Sheet**		
1	Present value of Defined Benefit Obligation	(729.68)	(714.09)
2	Fair value of plan assets	729.65	717.43
3	Funded status {Surplus/(Deficit)}	(0.03)	3.34
4	Net asset/(liability) as at end of the year*	(0.03)	3.34
III	**Present Value of Defined Benefit Obligation**		
1	Present value of Defined Benefit Obligation at beginning of the year	714.09	630.11
2	Current service cost	22.71	23.14
3	Interest cost	43.32	39.77
4	Employee Contributions	63.73	60.06
5	Actuarial (gains) / losses arising from changes in financial assumptions	(4.40)	(1.88)
6	Actuarial (gains) / losses arising from experience adjustments	(1.92)	11.82
7	Benefits Payments	(134.09)	(55.13)
8	Increase/ (decrease) due to effect of any transfers	26.24	6.20
9	Present value of Defined Benefit Obligation at the end of the year	729.68	714.09
IV	**Fair Value of Plan Assets**		
1	Plan assets at the beginning of the year	717.43	638.6
2	Interest income	43.32	43.25
3	Contributions by Employer	22.71	22.35
4	Contributions by Employee	63.73	60.06
5	Actual benefits paid	(134.09)	(55.13)
6	Net transfer in / (out)	26.24	6.20
7	Actuarial (gains) / losses arising from changes in financial assumptions	(9.69)	2.10
8	Plan assets at the end of the year	729.65	717.43
V	**Weighted Average duration of Defined benefit obligation**	10 years	7 years

*In respect of Provident Fund, only liability is recognised in Balance Sheet. Surplus is not recognised in Balance Sheet

NOTE 37. EMPLOYEE BENEFITS (contd.)

VI The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2018	As at December 31, 2017
Debt instruments		
Government securities	37%	44%
Debentures and bonds	63%	56%
	100%	**100%**

VII The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at December 31, 2018	As at December 31, 2017
Discounting rate	7.45%	7.30%
Guaranteed interest rate	8.55%	8.65%
Yield on assets based on the Purchase price and outstanding term of maturity	9.20%	9.02%

VIII Sensitivity analysis for factors mentioned in Actuarial Assumptions

₹ Crore

Particulars	As at December 31, 2018		As at December 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.31)	22.84	(1.35)	1.62
Interest rate guarantee (1% movement)	22.48	(5.31)	33.59	(11.64)

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.

IX The Company expects to contribute ₹ 24.00 Crore (Previous year - ₹ 24.95 Crore) to Trust managed Provident Fund in next year.

NOTE 38. LEASES

Operating lease commitments - Company as lessee

The Company has entered into operating leases on certain assets (grinding facility, godowns, flats, land, office premises and other premises). The Company has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Future lease rentals are determined on the basis of agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

Operating lease payment recognised in the Statement of Profit and Loss amounts to ₹ 127.80 Crore (Previous year - ₹ 121.01 Crore) .

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. LEASES (contd.)

a) Future minimum rental payables under non-cancellable operating leases are as follows:

Particulars		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	Not later than one year	53.93	50.24
(ii)	Later than one year and not later than five years	57.91	73.64
(iii)	Later than five years	28.55	19.91
		140.39	**143.79**

The Company has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Company has evaluated such arrangement based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the Company takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

The Company has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

The Company has concluded that it is impracticable to separate the lease payments from other payments made under this arrangement reliably and hence all payments under this arrangement are considered as lease payments. There are no minimum lease payments under such arrangement.

Finance lease

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 hence other disclosures are not given.

NOTE 39. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Particulars		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
A)	Estimated value of contracts on capital account remaining to be executed (Net of advance)	159.17	59.74
B)	For commitments relating to lease arrangements, (Refer Note - 38)		

NOTE 40. CONTINGENT LIABILITIES NOT PROVIDED FOR -

Refer Note 1 (XIII) for accounting policy on Contingent liabilities.

(A) Claims against the Company not acknowledged as debt:

Disputed claims / levies in respect of:

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Competition Act, 2002	CCI matter - Refer Notes a & b below	1,504.36	1,366.65
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts - Refer note - 21	500.63	-
Service Tax - The Finance Act, 1994	Refer note c below	87.66	-
Claims for mining lease rent	Refer note d below	73.46	73.46
Sales Tax Act/ Commercial Tax Act of various states	Packing Material - Differential rate of tax. Matters pending with various authorities.	20.52	20.52
	Other Sales tax matters	14.90	16.75
Customs Duty - The Customs Act, 1962	Demand of duty on import of Steam Coal during 2012 to 2013 classifying it as Bituminous Coal	30.97	30.97
Other Statutes/ Other Claims	Claims by suppliers regarding supply of raw material	32.78	32.78
	Demand of water drawal charges, pending before the Chattisgarh High Court.	14.70	12.55
	Various other cases pertaining to claims related to Railways, labour laws, etc	7.12	20.18
Mines and Minerals (Development and Regulation) Act	Demand of additional Royalty on Limestone based on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made by the Company based on the actual quantity of limestone extracted. Matter is pending at Madras High Court.	7.93	7.93
	TOTAL	**2,295.03**	**1,581.79**

In respect of above matters, future cash outflows are determinable only on receipt of judgments pending at various forums / authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

The Company has reviewed all its pending litigations and proceedings, and has adequately provided where 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.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 40. CONTINGENT LIABILITIES NOT PROVIDED FOR (contd.)

a) In 2012, the Competition Commission of India ('CCI') issued an Order imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 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, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with Section 3 (3)(a) and Section 3 (3)(b) of the Competition Act and imposed a penalty of ₹ 1,147.59 Crore on the Company. The Company had appealed against the penalty to the Competition Appellate Tribunal ('COMPAT') which granted a stay with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2018 is ₹ 325.45 Crore (Previous Year - ₹ 183.74 Crore). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgment of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹ 35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

c) The dispute is regarding whether the "place of removal" is the "factory gate / Depot" or "destination point of customer" for availment of Service Tax Credit on "Outward Transportation cost" of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not "Input Service" and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assesse relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon'ble Supreme Court, vide Order dated January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s. Ultratech Cement (Chattishgarh State)

NOTE 40. CONTINGENT LIABILITIES NOT PROVIDED FOR (contd.)

has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon'ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/S Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon'ble Supreme Court which is likely to be referred to three member bench.

Based on the advice of the external legal counsel, conflicting decisions of various courts and CBIC Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

d) The Company had received a demand letter dated May 10, 2013 from the Government of Tamil Nadu, seeking annual compensation for the period 01.04.1997 to 31.03.2014 for use of the Government land for mining, which land the Company 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 letter calling upon the company to pay a sum of ₹ 73.46 Crore as compensation for use of Government land. The Company has challenged the demand by way of Revision under the Mineral Concession Rules and in a Writ Petition before the Hon'ble High Court of Tamil Nadu at Chennai, and has obtained orders restraining the State from taking any coercive steps. The Company is of the view and has been advised legally, that the merits are strongly in its favour.

(B) Guarantees excluding financial guarantees

Particulars	As at December 31, 2018	As at December 31, 2017
	₹ Crore	₹ Crore
Guarantees given to Government Bodies on behalf of subsidiary company	0.04	0.04

NOTE 41. MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE COMPANY

a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ₹ 56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹ 64 Crore (tax of ₹ 56 Crore and interest of ₹ 8 Crore) which is considered as recoverable.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

b) The Company was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹ 7 Crore representing part of the One Time 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 Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/ raised by the Government.

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed 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, the Company received only ₹ 64 Crore out of total ₹ 235 Crore in part disbursement from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding.

The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP shall be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 133 Crore (Previous year - ₹ 133 Crore) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company believes that the merits of the claim are strong.

d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision) (Previous Year - ₹ 56.66 Crore) , the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore (Previous Year - ₹ 115.62 Crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) One of the Company's 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 Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 Crore (Previous year - ₹ 82.37 Crore) was raised. The Company 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 Company believes its case is strong and the demand shall not sustain under law.

f) The Company 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. The Company received demand from District Mining Officer for ₹ 881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting the Company 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 the Company.

The Company believes that the case shall not stand the test of judicial scrutiny basis the automatic renewal coupled with legal advice.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 42. RELATED PARTY DISCLOSURE

(A)	Names of the Related parties where control exists:	Nature of Relationship
1	LafargeHolcim Ltd, Switzerland	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	Bulk Cement Corporation (India) Limited	Subsidiary Company
5	ACC Mineral Resources Limited	Subsidiary Company
6	Lucky Minmat Limited	Subsidiary Company
7	National Limestone Company Private Limited	Subsidiary Company
8	Singhania Minerals Private Limited	Subsidiary Company
9	OneIndia BSC Private Limited	Joint venture Company
10	Aakaash Manufacturing Company Private Limited	Joint venture Company

(B)	Others - With whom transactions have been taken place during the current and/or previous year:	
(a)	Names of other Related parties	Nature of Relationship
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Technology (Singapore) Pte Ltd, Singapore	Fellow Subsidiary
4	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary
5	Holcim Services (South Asia) Limited	Fellow Subsidiary
6	Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
7	Holcim Philippines, Inc, Philippines	Fellow Subsidiary
8	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
9	Holcim Technology Ltd, Switzerland	Fellow Subsidiary
10	LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
11	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
12	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
13	Cementos Apasco SA de CV (LHMEX), Mexico	Fellow Subsidiary
14	Dirk India Private Limited	Fellow Subsidiary
15	Lafarge SA, France	Fellow Subsidiary
16	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
17	The Provident Fund of ACC Limited	Trust (Post-employment benefit plan)
18	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).

(b)	Name of the Related Parties:	Nature of Relationship
1	Mr. Neeraj Akhoury	Managing Director & CEO (w.e.f February 04, 2017)
2	Mr. Harish Badami	CEO & Managing Director (upto February 03, 2017)
3	Mr. Sunil K. Nayak	Chief Financial Officer
4	Mr. Surendra Mehta	Company Secretary (w.e.f April 21, 2017 upto September 25, 2017)

NOTE 42. RELATED PARTY DISCLOSURE (contd.)

(b)	Name of the Related Parties	Nature of Relationship
5	Mr. Ramaswami Kalidas	Company Secretary (w.e.f. September 26, 2017)
6	Mr. Burjor D. Nariman	Company Secretary (upto March 31, 2017)
7	Mr. N S Sekhsaria	Chairman, Non Executive / Non Independent Director
8	Mr. Jan Jenisch	Deputy Chairman, Non Executive / Non Independent Director (w.e.f. October, 10, 2017)
9	Mr. Eric Olsen	Deputy Chairman, Non Executive / Non Independent Director (upto September 21, 2017)
10	Mr. Martin Kriegner	Non Executive / Non Independent Director
11	Mr. Shailesh Haribhakti	Independent Director
12	Mr. Sushil Kumar Roongta	Independent Director
13	Mr. Ashwin Dani	Independent Director
14	Mr. Farrokh K Kavarana	Independent Director
15	Mr. Vijay Kumar Sharma	Non Independent Director
16	Mr. Arunkumar R Gandhi	Independent Director
17	Ms. Falguni Nayar	Independent Director
18	Mr. Christof Hassig	Non Independent Director

(C)	Transactions with Subsidiary Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Purchase of Fixed Assets**	**0.03**	**0.39**
	ACC Mineral Resources Limited	-	0.33
	Bulk Cement Corporation (India) Limited	0.03	0.06
(ii)	**Purchase of Raw Material**	**5.28**	**2.58**
	Singhania Minerals Private Limited	5.28	2.58
(iii)	**Reimbursement of Expenses Paid/Payable**	**2.10**	**3.34**
	Bulk Cement Corporation (India) Limited	2.10	3.33
	ACC Mineral Resources Limited	-	0.01
(iv)	**Reimbursement of Expenses Received/Receivable**	**1.70**	**1.46**
	Bulk Cement Corporation (India) Limited	1.57	1.27
	Singhania Minerals Private Limited	0.13	0.19
(v)	**Rendering of Services**	**2.94**	**2.79**
	Bulk Cement Corporation (India) Limited	2.94	2.79
(vi)	**Receiving of Services**	**21.57**	**17.81**
	Bulk Cement Corporation (India) Limited	21.57	17.81
(vii)	**Interest received on Inter Corporate Deposit**	**0.15**	**0.09**
	National Limestone Company Private Limited	0.08	0.05
	Singhania Minerals Private Limited	0.07	0.04
(viii)	**Interest on Current borrowings**	**1.47**	**3.77**
	ACC Mineral Resources Limited	1.47	3.77
(ix)	**Short Term Loan Received**	**-**	**4.15**
	ACC Mineral Resources Limited	-	4.15
(x)	**Short Term Loan Re-paid**	**60.64**	**-**
	ACC Mineral Resources Limited	60.64	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 42. RELATED PARTY DISCLOSURE (contd.)

(C)	Transactions with Subsidiary Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(xi)	**Inter Corporate Deposits Given**	**0.29**	**0.10**
	National Limestone Company Private Limited	0.24	0.10
	Lucky Minmat Limited	0.05	-
(xii)	**Inter Corporate Deposits Repayment Received**	**0.01**	**-**
	Singhania Minerals Private Limited	0.01	-
(xiii)	**Conversion of outstanding interest into short term borrowings**	**1.47**	**5.00**
	ACC Mineral Resources Limited	1.47	5.00
(xiv)	**Conversion of trade receivable into Inter Corporate Deposits**	**0.60**	**-**
	Singhania Minerals Private Limited	0.60	-
(xv)	**Conversion of outstanding interest into Inter Corporate Deposits**	**0.02**	**-**
	Singhania Minerals Private Limited	0.02	-

Outstanding balances with Subsidiary Companies		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Guarantee outstanding as at the end of the Year**	**0.04**	**0.04**
	Singhania Minerals Private Limited	0.04	0.04
(ii)	**Inter Corporate Deposits as at the end of the Year**	**1.56**	**0.66**
	National Limestone Company Private Limited	0.87	0.63
	Singhania Minerals Private Limited	0.64	0.03
	Lucky Minmat Limited	0.05	-
(iii)	**Outstanding balance of interest receivables on Inter Corporate Deposits**	**0.28**	**0.15**
	National Limestone Company Private Limited	0.23	0.15
	Singhania Minerals Private Limited	0.05	-
(iv)	**Outstanding balance included in Trade receivables**	**0.90**	**3.31**
	Bulk Cement Corporation (India) Limited	0.78	2.71
	Singhania Minerals Private Limited	0.12	0.60
(v)	**Outstanding balance included in Trade payables**	**3.65**	**7.89**
	Bulk Cement Corporation (India) Limited	3.63	7.36
	Singhania Minerals Private Limited	0.02	0.53
(vi)	**Outstanding balance included in Current borrowings**	**-**	**59.17**
	ACC Mineral Resources Limited	-	59.17

(D)	Transactions with Joint Venture Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Purchase of Finished Goods**	**104.12**	**93.12**
	Aakaash Manufacturing Company Private Limited {Refer Note 46 (ii)}	104.12	93.12
(ii)	**Sale of Finished Goods**	**14.57**	**22.35**
	Aakaash Manufacturing Company Private Limited	14.57	22.35

NOTE 42. RELATED PARTY DISCLOSURE (contd.)

(D)	Transactions with Joint Venture Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(iii)	**Receiving of Services**	**29.00**	**26.52**
	OneIndia BSC Private Limited	29.00	26.52
(iv)	**Dividend Received**	**0.68**	**1.69**
	Aakaash Manufacturing Company Private Limited	0.68	1.69
(v)	**Reimbursement of Expenses Received/Receivable**	**0.02**	**0.37**
	Aakaash Manufacturing Company Private Limited	0.02	0.37
(vi)	**Reimbursement of Expenses Paid / Payable**	**0.47**	**0.29**
	Aakaash Manufacturing Company Private Limited	-	0.29
	OneIndia BSC Pvt Ltd.	0.47	-
(vii)	**Other recoveries (Net)**	**2.11**	**-**
	Aakaash Manufacturing Company Private Limited	2.11	-

Outstanding balances with Joint venture Companies		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**1.30**	**3.63**
	Aakaash Manufacturing Company Private Limited	1.30	3.63
(ii)	**Outstanding balance included in Trade payables**	**21.92**	**21.58**
	Aakaash Manufacturing Company Private Limited	19.31	18.36
	OneIndia BSC Private Limited	2.61	3.22

(E)	Transactions with Associate Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Purchase of Finished Goods**	**71.89**	**69.58**
	Alcon Cement Company Private Limited {Refer Note - 46 (i)}	71.89	69.58
(ii)	**Purchase of Raw Materials**	**20.76**	**23.14**
	Asian Concretes and Cements Private Limited	20.76	23.14
(iii)	**Sale of Unfinished Goods**	**26.40**	**27.33**
	Alcon Cement Company Private Limited {Refer Note - 46 (i)}	26.40	27.33
(iv)	**Dividend Received**	**0.41**	**3.06**
	Alcon Cement Company Private Limited	0.41	3.06
(v)	**Rendering of Services**	**-**	**1.19**
	Alcon Cement Company Private Limited	-	1.19
(vi)	**Receiving of Services**	**117.92**	**91.57**
	Asian Concretes and Cements Private Limited	117.92	91.57
(vii)	**Reimbursement of Expenses Received/Receivable**	**14.71**	**10.52**
	Alcon Cement Company Private Limited	14.71	10.52
(viii)	**Reimbursement of Expenses Paid/Payable**	**3.16**	**5.45**
	Asian Concretes and Cements Private Limited	0.54	3.41
	Alcon Cement Company Private Limited	2.62	2.04

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 42. RELATED PARTY DISCLOSURE (contd.)

	Outstanding balances with Associate Companies	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**8.99**	**11.78**
	Alcon Cement Company Private Limited	8.99	11.78
(ii)	**Outstanding balance included in Trade payables**	**22.96**	**23.62**
	Asian Concretes and Cements Private Limited	19.27	14.70
	Alcon Cement Company Private Limited	3.69	8.92

(F)	Details of Transactions relating to Ultimate Holding and Holding Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Dividend paid**	**153.60**	**174.07**
	Ambuja Cements Limited	140.98	159.77
	Holderind Investments Limited	12.62	14.30
(ii)	**Purchase of Raw materials**	**0.24**	**4.36**
	Ambuja Cements Limited	0.24	4.36
(iii)	**Purchase of Finished /Unfinished goods**	**35.17**	**10.16**
	Ambuja Cements Limited	35.17	10.16
(iv)	**Purchase of Stores & Spares**	**0.10**	**-**
	Ambuja Cements Limited	0.10	-
(v)	**Sale of Fixed Assets**	**19.23**	**13.13**
	Ambuja Cements Limited	19.23	13.13
(vi)	**Sale of Finished /Unfinished Goods**	**23.59**	**30.63**
	Ambuja Cements Limited	23.59	30.63
(vii)	**Sale of Raw Material**	**8.34**	**1.82**
	Ambuja Cements Limited	8.34	1.82
(viii)	**Rendering of Services**	**47.66**	**53.39**
	Ambuja Cements Limited	47.66	53.39
(ix)	**Reimbursement of Expenses Paid / Payable**	**-**	**0.32**
	Ambuja Cements Limited	-	0.32
(x)	**Receiving of Services**	**47.47**	**48.21**
	Ambuja Cements Limited	47.47	48.21
(xi)	**Reimbursement of Expenses Received / Receivable**	**0.04**	**0.27**
	Ambuja Cements Limited	0.04	0.27

Outstanding balances with Ultimate Holding and Holding Companies		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**15.61**	**31.68**
	Ambuja Cements Limited	15.61	31.16
	LafargeHolcim Ltd	-	0.52
(ii)	**Outstanding balance included in Other current assets - advances**	**0.04**	**-**
	Ambuja Cements Limited	0.04	-
(iii)	**Outstanding balance included in Trade payables**	**18.25**	**16.58**
	Ambuja Cements Limited	18.25	16.58

NOTE 42. RELATED PARTY DISCLOSURE (contd.)

(G)	Details of Transactions relating to Fellow Subsidiary Companies / Joint venture of Holding Company	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Purchase of Raw materials**	**288.37**	**348.64**
	LafargeHolcim Energy Solutions SAS	285.04	345.24
	Counto Microfine Products Private Limited	3.28	3.35
	Dirk India Private Limited	0.05	0.05
(ii)	**Sale of Finished /Unfinished Goods**	**0.16**	**0.29**
	Counto Microfine Products Private Limited	0.16	0.29
(iii)	**Technology and Know-how fees**	**144.46**	**128.37**
	Holcim Technology Ltd	144.46	128.37
(iv)	**Receiving of Services**	**75.05**	**79.86**
	Holcim Services (South Asia) Limited	74.66	78.93
	Holcim Group Services Ltd	0.39	0.89
	Holcim Technology Ltd	-	0.04
(v)	**Rendering of Services**	**11.01**	**-**
	Holcim Services (South Asia) Limited	4.75	-
	Holcim Group Services Ltd	2.19	-
	Lafarge SA	2.62	-
	Holcim Technology Ltd	1.45	-
(vi)	**Reimbursement of Expenses Paid / Payable**	**-**	**0.07**
	Holcim Technology Ltd	-	0.07
(vii)	**Reimbursement of Expenses Received / Receivable**	**0.77**	**2.27**
	Holcim Technology Ltd	0.45	2.13
	Lafargeholcim Energy Solutions SAS	0.17	-
	LafargeHolcim Trading Pte Ltd	0.13	0.01
	LafargeHolcim Bangladesh Ltd	0.01	-
	Counto Microfine Product Private Limited	0.01	0.01
	Cementos Apasco SA de CV (LHMEX)	-	0.11
	Holcim Technology (Singapore) Pte Ltd	-	0.01

	Outstanding balances with Fellow Subsidiary Companies / Joint venture of Holding Company	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**11.82**	**0.36**
	Holcim Services (South Asia) Limited	4.75	-
	Lafarge SA	3.07	-
	Holcim Group Services Ltd	2.19	-
	Holcim Technology Ltd	1.45	-
	PT Holcim Indonesia Tbk	0.15	0.15
	Lafarge Holcim Trading Pte Limited	0.13	0.01
	Counto Microfine Product Private Limited	0.03	0.05
	Holcim Philippines, Inc	0.02	0.02
	Holcim Cement (Bangladesh) Ltd	0.01	0.01
	Holcim Technology (Singapore) Pte Ltd	0.01	0.01
	Cementos Apasco SA de CV (LHMEX)	-	0.11
	Lafargeholcim Bangladesh Ltd	0.01	-

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 42. RELATED PARTY DISCLOSURE (contd.)

	Outstanding balances with Fellow Subsidiary Companies / Joint venture of Holding Company	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(ii)	**Outstanding balance included in Trade payables**	**159.80**	**217.88**
	LafargeHolcim Energy Solutions SAS	124.50	168.11
	Holcim Technology Ltd	33.70	30.14
	Counto Microfine Products Private Limited	0.63	0.65
	Holcim Services (South Asia) Limited	0.62	18.38
	Holcim Group Services Ltd	0.35	0.59
	Dirk India Private Limited	-	0.01

(H)	Details of Transactions with Key Management Personnel	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Remuneration***	**11.52**	**8.23**
	Mr. Neeraj Akhoury**	7.13	4.15
	Mr. Sunil K. Nayak	3.36	2.94
	Mr. Ramaswami Kalidas	1.03	0.24
	Mr. Burjor D. Nariman	-	0.30
	Mr. Surendra Mehta	-	0.60
	Breakup of Remuneration	**11.52**	**8.23**
	Short term employment benefit	11.05	7.49
	Post employment benefits	0.10	0.06
	Other long term benefits	0.37	0.68

(ii)	Other Payment to Key Management Personnel	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
	Commission Payable	**3.19**	**3.53**
	Mr. N S Sekhsaria	0.50	0.50
	Mr. Arunkumar Gandhi	0.45	0.45
	Mr. Martin Kriegner#	-	0.36
	Mr. Shailesh Haribhakti	0.36	0.36
	Mr. Sushil Kumar Roongta	0.36	0.36
	Mr. Ashwin Dani	0.36	0.36
	Mr. Farrokh Kavarana	0.36	0.36
	Mr. Vijay Kumar Sharma	0.20	0.20
	Mr. Jan Jenisch	0.20	0.04
	Ms. Falguni Nayar	0.20	0.20
	Mr. Christof Hassig	0.20	0.20
	Mr. Eric Olsen	-	0.14

NOTE 42. RELATED PARTY DISCLOSURE (contd.)

Sitting Fees	**0.53**	**0.73**
Mr. N S Sekhsaria	0.04	0.06
Mr. Arunkumar Gandhi	0.08	0.09
Mr. Martin Kriegner#	0.04	0.08
Mr. Shailesh Haribhakti	0.07	0.08
Mr. Sushil Kumar Roongta	0.09	0.11
Mr. Ashwin Dani	0.06	0.08
Mr. Farrokh Kavarana	0.07	0.12
Mr. Vijay Kumar Sharma	0.01	0.01
Mr. Jan Jenisch	0.01	-
Ms. Falguni Nayar	0.03	0.06
Mr. Christof Hassig	0.03	0.03
Mr. Eric Olsen	-	0.01

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

**Remuneration does not include performance incentive for respective years, pending finalisation. Current year remuneration includes ₹ 2.44 Crore performance incentive paid for 2017.

#Mr Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on October 17, 2018.

The Company makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd"" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹ 22.71 Crore (Previous Year - ₹ 22.35 Crore).

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme). During the year, the Company contributed ₹ 21.00 Crore (Previous Year - ₹ 7.19 Crore).

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended December 31, 2018, the Company has not recorded any loss allowances for trade receivables from related parties (Previous year - Nil).

Loans to subsidiaries:

The Company had given loans to subsidiaries for general corporate purposes. Outstanding balances at the year-end are unsecured and carry an interest rate of 9% (Previous year - 9%) and repayable on demand.

Guarantees given on behalf of subsidiary:

Guarantee given on behalf of Singhania Minerals Private Limited, wholly owned subsidiary company is for the purpose of approval of mining plan.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. SEGMENT REPORTING

For management purposes, the Company is organised into business units based on the nature of the products, the differing risks and returns. The organization structure and internal reporting system has two reportable segments, as follows:

(a) **Cement -** Cement is a product which is obtained from clinker resulting from mixing the raw material such as limestone, clay, iron ore, fly ash, bauxite, etc; in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.

(b) **Ready Mix Concrete -** Ready Mix Concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
REVENUE						
External sales	13,171.09	12,692.83	1,306.38	1,153.71	14,477.47	13,846.54
Inter-segment sales	216.00	225.18	2.76	4.90	218.76	230.08
Other operating revenue	317.81	349.10	6.07	4.55	323.88	353.65
	13,704.90	13,267.11	1,315.21	1,163.16	15,020.11	14,430.27
Less: Elimination	216.00	225.18	2.76	4.90	218.76	230.08
Total revenue	**13,488.90**	**13,041.93**	**1,312.45**	**1,158.26**	**14,801.35**	**14,200.19**
OPERATING EBITDA	1,910.80	1,794.15	133.83	114.98	2,044.63	1,909.13
Segment result	1,328.46	1,173.98	116.71	98.10	1,445.17	1,272.08
Unallocated corporate income net of unallocated expenditure					35.10	31.91
Operating Profit					**1,480.27**	**1,303.99**
Finance costs					(89.20)	(102.30)
Interest and Dividend income					103.22	96.67
Tax expenses (Refer Note - 21)					12.34	(382.91)
Profit after tax					**1,506.63**	**915.45**

NOTE 43. SEGMENT REPORTING (contd.)

₹ Crore

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
Capital expenditure (including capital work-in-progress and capital advances)	475.92	476.62	47.45	21.62	523.37	498.24
Depreciation and Amortisation	583.11	623.29	16.53	16.83	599.64	640.12
Other non-cash expenses	11.64	5.59	3.57	2.95	15.21	8.54

₹ Crore

	Cement		Ready Mix Concrete		Total	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Segment assets	11,631.96	11,272.66	454.07	372.53	12,086.03	11,645.19
Unallocated Corporate assets					3,939.02	3,243.66
Total assets					**16,025.05**	**14,888.85**
Segment liabilities	4,066.64	3,938.88	315.23	278.49	4,381.87	4,217.37
Unallocated corporate liabilities					1,115.52	1,306.02
Total liabilities					**5,497.39**	**5,523.39**

₹ Crore

Sales from external customer	For the year ended December 31, 2018	For the year ended December 31, 2017
Within India	14,472.37	13,783.17
Outside India *	5.10	63.37
TOTAL	**14,477.47**	**13,846.54**

No single customer contributed 10% or more to the Company's revenue for the year ended December 31, 2018 and December 31, 2017.

* Sales outside India are in functional currency.

All the non current assets are located within India.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 44. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006*

	Particulars	As at December 31, 2018	As at December 31, 2017
		₹ Crore	₹ Crore
a.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
	Principal amount due to micro and small enterprises (Not overdue)	8.02	4.81
	Interest due on above	-	-
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE 45.

In assessing the carrying amounts of Investments (net of impairment loss) in companies which are currently not in operation, the Company considered various factors as detailed below and concluded that no further impairment is necessary.

(i) The Company has invested ₹ 38.10 Crore (Previous year - ₹ 38.10 Crore) in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary company. LML is engaged in the extraction of limestone. The Company has determined the value in use of investment based on discounted future cash flow approach. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

(ii) The Company has invested ₹ 14.02 Crore (Previous year - ₹ 14.02 Crore) in equity shares of National Limestone Company Private Limited (NLCPL) a wholly owned subsidiary company. NLCPL is engaged in the extraction of limestone. The Company has determined the value in use of investment based on discounted future cash flow approach. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

As at December 31, 2018, the cash flows are estimated over the life of respective mines.

Following are the key assumptions considered for value in use calculation:

(a) Production of mines is estimated as per the production schedule in the mining plans submitted to the regulatory authorities.

(b) Limestone is a commodity for which there is no market existing. Average selling price of the limestone considered based on the information available from the Indian Bureau of Mines ("IBM"). Expected increase in selling price is considered at 3% every year.

(c) The cost of production is given an inflation effect of 4% every year for first five years and 3% every year thereafter and royalty rate is increased by 10% in every five year.

(d) Weighted average cost of capital (WACC) estimated as 15.51%.

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Based on the Company's assessment there is no impairment of investments.

(iii) The Company has investment in ACC Mineral Resources Limited (AMRL), a wholly-owned subsidiary of ₹ 106.80 Crore. AMRL, through its joint operations had secured development for four coal blocks allocated to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgment of Supreme Court dated August 25, 2014 read with its order dated September 24, 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 March 23, 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 March 31, 2014. The Hon'ble Delhi High Court issued its judgment on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 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 re-imbursement of expenses incurred up to the date of vesting order. The auction of remaining three coal blocks has not yet taken place.

The Company had assessed the recoverability of amount incurred on development of these coal blocks and accordingly investment of ₹42.81 Crore was impaired in the previous years.

Based on above the Company has concluded that no further impairment is necessary.

NOTE 46.

(i) The Company has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ₹ 20.63 Crore (Previous year - ₹ 22.84 Crore) has not been 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 - 38).

(ii) The Company has arrangement with a Joint venture company whereby it purchases Ready Mix Concrete and sells that to external customers. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Company's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale of such Ready Mix Concrete to customer of ₹ 87.91 Crore (Previous year - ₹ 83.61 Crore) has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 47.

Disclosure pursuant to SEBI (Listing obligations and disclosure requirements) regulations, 2015 and Section 186 (4) of the Companies Act 2013:

Nature of the transaction (loans given/ investment made/ guarantee given/ security provided)		Purpose for which the loan/ guarantee / security is proposed to be utilised by the recipient	As at December 31, 2018 *	Maximum Balance during the Year *	As at December 31, 2017 *	Maximum Balance during the Year *
(a)	**Loans and Advances to wholly owned Subsidiaries –**		₹ Crore	₹ Crore	₹ Crore	₹ Crore
	National Limestone Company Private Limited	Working Capital	0.87	0.87	0.63	0.63
	Singhania Minerals Private Limited	Working Capital	0.64	0.64	0.03	0.03
	Lucky Minmat Limited	Working Capital	0.05	0.05	-	-

* Balance does not include interest

(b) Details of Investments made are given in Note 4.

(c) Guarantee given on behalf of Singhania Minerals Private Limited, wholly owned subsidiary company, of ₹ 0.04 Crore (Previous Year - ₹ 0.04 Crore) are for the purpose of approval of mining plan.

(d) The loanees have not made any investments in the shares of the Company.

(e) The above loans are repayable on demand and carries rate of interest at 9% p.a. (Previous year - 9% p.a.).

NOTE 48. CAPITALISATION OF EXPENDITURE

During the year, the Company has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

Particulars	2018 ₹ Crore	2017 ₹ Crore
Balance at the beginning of the year	2.80	18.56
Expenditure during construction for projects:		
Employee benefits expense	1.26	6.60
Miscellaneous expenses	3.15	2.95
TOTAL	**7.21**	**28.11**
Less : Capitalised during the year	2.22	25.31
Balance at the end of the year	**4.99**	**2.80**

NOTE 49: FINANCIAL INSTRUMENTS

(A) Categories of Financial Instruments

Particulars	Note No.	Carrying value	
		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Equity investments		-	-
Cash and cash equivalents - Mutual funds	12	690.91	952.10
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	936.10	864.83
Other Cash and cash equivalents (Balances with banks)	12	1,209.83	709.81
Bank balances other than Cash and Cash Equivalents	13	163.49	168.66
Investments in Bonds	5	3.70	3.70
Security deposits (Current and Non-Current)	6 & 14	222.06	236.81
Loans and Other financial assets (Current and Non-Current)	6, 7, 14 & 15	569.39	439.24
Trade receivables	11	868.26	668.20
3. Measured at fair value through Other Comprehensive Income		-	-
TOTAL		**4,663.74**	**4,043.35**

Particulars	Note No.	As at December 31, 2018	As at December 31, 2017
Financial liabilities			
1. Measured at Fair value through profit or loss (FVTPL)			
Foreign currency forward contract	23	1.19	-
2. Measured at amortised cost			
Borrowing	22	-	59.17
Trade payables		1,922.73	1,810.49
Security deposits and retention money	23	553.40	530.56
Other financial liabilities	23	219.12	188.25
TOTAL		**2,696.44**	**2,588.47**

Management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 49: FINANCIAL INSTRUMENTS (Contd.)

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

₹ Crore

Particulars	For the Year ended December 31, 2018	For the Year ended December 31, 2017
Financial assets measured at amortised cost		
Interest income	(102.13)	(77.06)
Impairment losses on financial assets (including reversals of impairment losses)	5.39	2.20
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(33.43)	(23.78)
Net gain on fair valuation of current financial assets	(0.91)	(0.88)
Gain on sale of non - current financial assets	-	(10.32)
Financial liabilities measured at amortised cost		
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	3.23	4.23
Interest expenses on deposits from dealers	28.89	24.14
Interest expenses on borrowings from related party	1.47	3.77
Financial liabilities measured at fair value through profit or loss		
Net Loss of on foreign currency forward contract	2.12	-
Net gain recognised in Statement of Profit and Loss	**(95.37)**	**(77.70)**

(C) Fair Value Hierarchy

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.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs that are unobservable for the asset or liability

NOTE 49: FINANCIAL INSTRUMENTS (Contd.)

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	690.91	-	-	690.91
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at Fair value through profit or loss (FVTPL)				
Foreign currency forward contract	-	1.19	-	1.19
As at December 31, 2017				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	952.10	-	-	952.10
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-

During the reporting year ending December 31, 2018 and December 31, 2017, there was no transfer between level 1 and level 2 fair value measurement.

The following methods and assumptions were used to estimate the fair values:

Level 1: Quoted bid prices in an active market - Unadjusted Quoted price in principle market in which equity instrument is actively traded.

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Other financial assets and liabilities

Management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor, mitigate and minimize risks arising from financial instruments.

The Company is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Company's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimize potential adverse effects on the Company's financial performance.

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 Board of Directors reviews and agrees on policies for managing each of these risks, which are summarized below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. Check on counterparties basis credit rating 4. Number of overdue days
Liquidity Risk	Borrowings, Trade payables, Deposits from dealers, foreign exchange forward contract and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk- Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Forward foreign exchange contract
Market Risk- Price risk	Investment in equity instruments	Sensitivity analysis	1. Strategic investment
Market Risk- Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the 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 placed with banks and financial institutions and other financial instruments.

<u>Financial assets other than trade receivables</u>

Credit risk from balances with banks and financial institutions is managed by the Company's Treasury department in accordance with it's policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Company's Board of Directors.

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Company result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of collaterals. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interactions with responsible persons for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has adopted a policy of only dealing in creditworthy counterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Company's net sales. Therefore, the Company does not expect any material risk on account of non-performance by any of its counterparties.

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. Based on the assessment of the observable data the management believes that there are no financial assets which are credit impaired.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ Crore

Particulars	As at December 31, 2018	As at December 31, 2017
Neither past due nor impaired	319.69	263.19
Past due not impaired		
- 1-180 days	499.49	364.39
- more than 180 days	49.08	40.62
Past due impaired		
- 1-180 days	-	2.74
- more than 180 days	24.65	26.29
TOTAL	**892.91**	**697.23**

Expected credit loss assessment

For trade receivables, as a practical expedient, the Company compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

The following table summarizes the change in the loss allowances measured using simplified approach model expected credit loss assessment:

₹ Crore

As at January 01, 2017	36.98
Provided during the year	3.84
Amounts utilised	(10.15)
Reversals of Provision	(1.64)
As at December 31, 2017	**29.03**
Provided during the year	7.54
Amounts utilised	(9.77)
Reversals of Provision	(2.15)
As at December 31, 2018	**24.65**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit impaired

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Company assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management.

In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

Particulars	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2018				
Other financial liabilities*	772.52	804.26	-	804.26
Foreign currency forward contract	1.19	1.19	-	1.19
Trade payables	1,922.73	1,922.73	-	1,922.73
TOTAL	**2,696.44**	**2,728.18**	**-**	**2,728.18**

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Particulars	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2017				
Borrowing#	59.17	63.60	-	63.60
Other financial liabilities*	718.81	738.78	-	738.78
Trade payables	1,810.49	1,810.49	-	1,810.49
TOTAL	**2,588.47**	**2,612.87**	**-**	**2,612.87**

#Borrowing consists of short term loan taken from a wholly owned subsidiary. Amount included in the above maturity analysis assumes interest outflows based on the year end benchmark interest rates, the actual interest rates may differ based on the changes in the benchmark interest rates.

*Other financial liabilities includes deposits received from customers amounting to ₹ 499.77 Crore (Previous year ₹ 459.30 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.

(iii) 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 of three types of risk: interest rate risks, currency risk and other price risk, such as equity price risks and commodity risk. Financial instruments affected by market risk include loans and borrowings, investments, deposits, trade payables.

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

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 carrying amounts of the Company's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

₹ Crore

As at December 31, 2018	USD	EUR	CHF	GBP
Trade Payable	130.22	2.13	0.02	0.04
Foreign exchange derivative contracts	(83.85)	-	-	-
Net exposure to foreign currency risk (liabilities)	**46.37**	**2.13**	**0.02**	**0.04**

As at December 31, 2017	USD	EUR	CHF
Trade Payable	211.58	2.17	0.15
Foreign exchange derivative contracts	-	-	-
Net exposure to foreign currency risk (liabilities)	**211.58**	**2.17**	**0.15**

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

Particulars	As at December 31, 2018		As at December 31, 2017	
	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	2.32	(2.32)	10.58	(10.58)
EUR	0.11	(0.11)	0.11	(0.11)
CHF	-	-	0.01	(0.01)
TOTAL	**2.43**	**(2.43)**	**10.70**	**(10.70)**

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

Market Risk- Price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate due to change in marked traded prices. Other price risk arises from the financial assets such as investments in equity instruments and bonds.

The Company was exposed to equity price risks arising from equity investment in Shiva Cement Limited. Company's equity investments were held for strategic rather than trading purposes. During the previous year, the Company sold investment in Shiva Cement Limited.

Commodity price 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 drop in operating margin. To manage this risk, the Company take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the central procurement team.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the interest rate risk arises primarily from their loans and borrowings. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

The Company has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/ lower the Profit for the year ended December 31, 2018 would decrease / increase by ₹ 2.50 Crore (Previous year - ₹ 2.30 Crore).

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

NOTE 51. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As stated in the below table, the Company is a Zero debt company with no long-term borrowings. The Company is not subject to any externally imposed capital requirements.

₹ Crore

Particulars	Note No.	As at December 31, 2018	As at December 31, 2017
Total Debt (Short term borrowings)	22	-	59.17
Less: Cash and cash equivalents	12	(2,836.84)	(2,526.74)
Net debt		(2,836.84)	(2,467.57)
Equity	18 & 19	10,527.66	9,365.46
Debt to Equity (Net)		**NA**	**NA**

NOTE 52. DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

Particulars	For the Year ended December 31, 2018 ₹ Crore	For the Year ended December 31, 2017 ₹ Crore
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on December 31, 2017 ₹ 15 per share (Previous year - ₹ 6 per share for 2016)	281.68	112.67
Dividend distribution tax on final dividend*	57.90	22.94
Interim equity dividend ₹ Nil (Previous year - ₹ 11 per share)	-	206.57
Dividend distribution tax on interim dividend	-	42.05
	339.58	**384.23**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on December 31, 2018 ₹ 14 per share : (Previous year - ₹ 15 per share)	262.90	281.68
Dividend distribution tax on proposed dividend*	54.04	57.34
	316.94	**339.02**

* Dividend distribution tax on proposed dividend for previous year has been changed due to change in Dividend distribution tax rate w. e. f. April 01, 2018.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend distribution tax thereon) as at December 31.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 53. The Company has accrued Incentives Receivable under Government Schemes in the form of GST / VAT refunds from the various state governments (Refer Notes 7 and 15). Consequent to clarification issued by The Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India on April 04, 2018 on above incentives, the Company has further evaluated the classification of these incentives in the financial statements. Considering that the Company has complied with the conditions attached to the scheme and hence entitled to the incentives as per the scheme, such incentive receivable falls under the definition of financial instruments. Accordingly the Company has reclassified the said receivables from non-financial assets to financial assets as per Ind AS 109. Consequently, all comparative periods presented have been reclassified as per current year presentation. The Management believes that the reclassification has no material effect on the information in the Balance Sheet.

NOTE 54. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

Mumbai, February 05, 2019

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Part "A": Subsidiaries

(₹ Crore)

Sl. No.	Particulars					
1	Name of the Subsidiary	ACC Mineral Resources Limited	BulK Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	Singhania Minerals Private Limited
2	Reporting period for the subsidiary	January 01, 2018 to December 31, 2018	January 01, 2018 to December 31, 2018	January 01, 2018 to December 31, 2018	January 01, 2018 to December 31, 2018	January 01, 2018 to December 31, 2018
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.
4	Share capital	121.95	33.64	3.25	2.00	0.52
		121.95	*33.64*	*3.25*	*2.00*	*0.52*
5	Reserves and surplus	(47.23)	21.70	(4.76)	(1.55)	(0.92)
		(51.55)	*18.91*	*(4.27)*	*(1.32)*	*(0.96)*
6	Total assets	78.75	65.23	0.64	1.70	1.40
		74.82	*69.16*	*0.63*	*1.79*	*1.38*
7	Total Liabilities	4.03	9.89	2.15	1.25	1.80
		4.42	*16.61*	*1.65*	*1.11*	*1.82*
8	Turnover	-	18.76	-	-	5.00
		-	*17.27*	-	-	*2.48*
9	Profit / (Loss) before tax	3.87	3.39	(0.49)	(0.23)	0.04
		(11.08)	*2.88*	*(0.47)*	*(0.19)*	*(0.75)*
10	Tax expenses	(0.45)	0.62	-	-	-
		0.42	*0.98*	-	-	-
11	Profit / (Loss) after tax	4.32	2.77	(0.49)	(0.23)	0.04
		(11.50)	*1.90*	*(0.47)*	*(0.19)*	*(0.75)*
12	Proposed Dividend	-	-	-	-	-
		-	-	-	-	-
13	% of shareholding	100%	94.65%	100%	100%	100%
		100%	*94.65%*	*100%*	*100%*	*100%*

Part "B": Associates and Joint Ventures

Sl. No.	Name of Associates	Associates	
		Alcon Cement Company Private Limited	**Asian Concretes and Cements Private Limited**
1	Latest audited Balance Sheet Date	December 31, 2018	December 31, 2018
	Shares of Associates held by the company on the year end	4,08,001	81,00,000
	Amount of Investment in Associates (₹ Crore)	22.25	36.81
2	Extend of Holding (%)	40%	45%
3	Description of how there is significant influence	Note (a)	Note (a)
4	Reason why the associates is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	5.25	68.98
		5.42	*62.06*
6	Profit / (Loss) for the year (₹ Crore)	0.80	15.38
		1.28	*16.48*
i.	Considered in Consolidation (₹ Crore)	0.32	6.92
		0.51	*7.42*
ii.	Not Considered in Consolidation (₹ Crore)	0.48	8.46
		0.77	*9.06*

Sl. No.	Name of Joint Ventures	Joint Ventures	
		OneIndia BSC Private Limited	**Aakaash Manufacturing Company Private Limited**
1	Latest audited Balance Sheet Date	December 31, 2018	December 31, 2018
	Shares of Joint Venture held by the company on the year end	25,01,000	4,401
	Amount of Investment in Joint Venture (₹ Crore)	2.50	6.01
2	Extend of Holding (%)	50%	40%
3	Description of how there is significant influence	N.A.	N.A.
4	Reason why the joint venture is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	6.04	9.32
		4.41	*8.63*
6	Profit / (Loss) for the year (₹ Crore)	3.16	3.79
		2.31	*4.25*
i.	Considered in Consolidation (₹ Crore)	1.58	1.51
		1.16	*1.70*
ii.	Not Considered in Consolidation (₹ Crore)	1.58	2.78
		1.16	*2.55*

Note: (a) There is significant influence due to percentage (%) of equity Share capital
(b) Figures in italics pertain to previous year

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

Mumbai, February 05, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACC LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of ACC Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, comprising the Consolidated Balance Sheet as at December 31, 2018, 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 the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements"), which includes four joint operations of a subsidiary (consolidated on a proportionate basis with the subsidiary).

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries (which includes four joint operations), associates and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at December 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Notes 41(A)a and 41(A)b to the consolidated financial statements which describes the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1147.59 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 May 26, 2017), in its order passed on July 25, 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 October 05, 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 by its order dated January 19, 2017, had imposed a penalty of ₹ 35.32 crores on the Company 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 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 financial statements.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of four subsidiaries (which includes four joint operations), whose financial statements reflect total assets of ₹ 82.49 crores as at December 31, 2018, total revenues of ₹ 13.95 crores and net cash inflows amounting to ₹ 63.13 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 8.73 crores for the year ended December 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of two associates and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (which includes four joint operations), associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries (which includes four joint operations), joint venture and associates is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter 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 separate financial statements of subsidiaries (which includes four joint operations), associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on December 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on December 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Group, associates and joint venture companies incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India to its directors is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies, associate companies and joint venture companies incorporated in India, on the basis of information available with the Company, other than ₹ 1.16 crores in case of Parent company paid during the year, as reported in the previous year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 034382)

Place : Mumbai
Date : February 05, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended December 31, 2018, we have audited the internal financial controls over financial reporting of ACC Limited (hereinafter referred to as ("Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2018, based on internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, two associate companies and one joint venture, 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)

B. P. Shroff
Partner
(Membership No. 034382)

Place : Mumbai
Date : February 05, 2019

Consolidated Balance Sheet as at December 31, 2018

Particulars	Note No.	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
A ASSETS			
Non-current assets			
a) Property, Plant and Equipment	2	7,035.18	7,224.46
b) Capital work-in-progress		397.78	269.25
c) Goodwill on consolidation	54	15.57	15.57
d) Other Intangible assets	3	37.42	40.03
e) Investments in associates and joint ventures	4	100.40	91.16
f) Financial Assets			
(i) Investments	5	3.70	3.70
(ii) Loans	6	169.14	222.59
(iii) Other financial assets	7	325.33	410.34
g) Non-current Tax Assets (Net)	8	674.97	296.95
h) Other non-current assets	9	612.02	616.77
Total Non-current assets		**9,371.51**	**9,190.82**
Current assets			
a) Inventories	10	1,679.39	1,404.78
b) Financial assets			
(i) Trade receivables	11	867.37	665.97
(ii) Cash and Cash Equivalents	12	2,933.21	2,559.66
(iii) Bank balances other than Cash and Cash Equivalents	13	163.77	168.89
(iv) Loans	14	77.30	41.40
(v) Other financial assets	15	226.68	8.88
c) Other current assets	16	725.17	792.26
		6,672.89	**5,641.84**
d) Non-current assets classified as held for sale	17	11.55	13.08
Total Current assets		**6,684.44**	**5,654.92**
TOTAL - ASSETS		**16,055.95**	**14,845.74**
B. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	18	187.99	187.99
b) Other Equity	19	10,343.91	9,167.86
Equity attributable to owners of the parent		**10,531.90**	**9,355.85**
Non-controlling interest		3.03	2.88
Total Equity		**10,534.93**	**9,358.73**
Liabilities			
Non-current liabilities			
a) Provisions	20	140.29	142.79
b) Deferred tax liabilities (Net)	21	674.57	551.56
Total - Non-current liabilities		**814.86**	**694.35**
Current liabilities			
a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	45	8.02	4.81
Total outstanding dues of creditors other than micro and small enterprises		1,918.24	1,808.93
(ii) Other financial liabilities	22	775.54	721.34
b) Other current liabilities	23	1,794.63	1,737.97
c) Provisions	24	27.30	51.19
d) Current tax liabilities (Net)		182.43	468.42
Total - Current liabilities		**4,706.16**	**4,792.66**
Total - Liabilities		**5,521.02**	**5,487.01**
TOTAL - EQUITY AND LIABILITIES		**16,055.95**	**14,845.74**
Significant accounting policies	1		
See accompanying notes to the financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

Consolidated Statement of Profit and Loss for the year ended December 31, 2018

	Particulars	Note No.	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
	INCOME			
1	Revenue from operations	25	14,801.62	14,200.72
2	Other Income	26	142.66	128.86
3	**TOTAL INCOME (1+2)**		**14,944.28**	**14,329.58**
4	**EXPENSES**			
	a) Cost of materials consumed	27	2,368.17	1,980.04
	b) Purchases of Stock-in-Trade	28	89.26	0.84
	c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	29	(124.98)	(14.90)
	d) Employee benefits expense	30	883.58	821.36
	e) Power and Fuel		3,000.83	2,716.94
	f) Freight and Forwarding expense	31	3,992.82	3,433.75
	g) Excise duty		-	915.59
	h) Finance costs	32	87.77	98.53
	i) Depreciation and amortisation expense	33	603.22	643.62
	j) Other expenses	34	2,546.53	2,440.80
			13,447.20	13,036.57
	Self consumption of cement		(2.71)	(6.13)
	TOTAL EXPENSES		**13,444.49**	**13,030.44**
5	**Profit before share of profit of associates and joint ventures and tax (3-4)**		**1,499.79**	**1,299.14**
6	Share of profit in associates and a joint ventures		10.32	10.92
7	**Profit before tax (5+6)**		**1,510.11**	**1,310.06**
8	**Tax expense** (Refer Note - 21)			
	a) Current tax		457.57	352.65
	b) Tax adjustments for earlier years		(500.63)	-
	c) Deferred tax charge / (credit)		32.55	32.90
			(10.51)	**385.55**
9	**Profit for the year (7-8)**		**1,520.62**	**924.51**
10	**Other Comprehensive Income (OCI)**			
	(i) Items that will not be reclassified to profit and loss:			
	(a) Re-measurement gain / (loss) on defined benefit plans		(7.45)	3.62
	(b) Share of Re-measurement gain / (loss) on defined benefit plans of associates and joint ventures (net of tax)		0.01	(0.13)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	21	2.60	(1.25)
	Other Comprehensive Income for the year, net of tax		**(4.84)**	**2.24**
11	**Total Comprehensive Income for the year (9+10)**		**1,515.78**	**926.75**
12	**Attributable to:**			
	Owners of the Company		1,520.47	924.41
	Non-controlling interests		0.15	0.10
	Profit for the year		**1,520.62**	**924.51**
13	**Other comprehensive income Attributable to:**			
	Owners of the Company		(4.84)	2.24
	Non-controlling interests		-	-
	Other comprehensive income		**(4.84)**	**2.24**
14	**Total comprehensive income Attributable to:**			
	Owners of the Company		1,515.63	926.65
	Non-controlling interests		0.15	0.10
	Total comprehensive income		**1,515.78**	**926.75**
15	**Earnings per equity share of ₹ 10 each:**	35		
	(a) Basic	₹	80.97	49.23
	(b) Diluted	₹	80.77	49.10
	Significant accounting policies	1		
	See accompanying notes to the financial statements			

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended December 31, 2018

A. Equity Share Capital

	Note No.	₹ Crore
As at January 01, 2017	18	187.99
Issue of equity shares		-
As at December 31, 2017	18	187.99
Issue of equity shares		-
As at December 31, 2018	18	**187.99**

B. Other Equity

For the year ended December 31, 2018

	Reserves and surplus (Refer Note - 19)			Total Attributable to Owners of the Company	Attributable to Non-controlling interest	Total other equity
	Securities premium	General Reserve	Retained earnings			
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
As at January 01, 2018	845.03	2,796.78	5,526.05	9,167.86	2.88	9,170.74
Profit for the year	-	-	1,520.47	1,520.47	0.15	1,520.62
Other Comprehensive Income for the year, net of tax	-	-	(4.84)	(4.84)	-	(4.84)
Total comprehensive income for the year	**-**	**-**	**1,515.63**	**1,515.63**	**0.15**	**1,515.78**
Final dividend paid for 2017 (Refer Note - 53)	-	-	(281.68)	(281.68)	-	(281.68)
Dividend distribution tax on dividend (Refer Note - 53)	-	-	(57.90)	(57.90)	-	(57.90)
As at December 31, 2018	**845.03**	**2,796.78**	**6,702.10**	**10,343.91**	**3.03**	**10,346.94**

B. Other Equity (Contd.)

For the year ended December 31, 2017

	Reserves and surplus (Refer Note - 19)			Total Attributable to Owners of the Company	Attributable to Non-controlling interest	Total other equity
	Securities premium	General Reserve	Retained earnings			
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
As at January 01, 2017	845.03	2,796.78	4,983.63	8,625.44	2.78	8,628.22
Profit for the year	-	-	924.41	924.41	0.10	924.51
Other Comprehensive Income for the year, net of tax	-	-	2.24	2.24	-	2.24
Total comprehensive income for the year	-	-	926.65	926.65	0.10	926.75
Interim dividend paid (Refer Note - 53)	-	-	(206.57)	(206.57)	-	(206.57)
Final dividend paid for 2016 (Refer Note - 53)	-	-	(112.67)	(112.67)	-	(112.67)
Dividend distribution tax on dividend (Refer Note - 53)	-	-	(64.99)	(64.99)	-	(64.99)
As at December 31, 2017	**845.03**	**2,796.78**	**5,526.05**	**9,167.86**	**2.88**	**9,170.74**

See accompanying notes to the financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended December 31, 2018

Particulars	Note No.	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
A. Cash flow from operating activities			
Profit before Tax		1,510.11	1,310.06
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	33	603.22	643.62
Loss / (Profit) on sale / write off of Property, Plant & Equipment (net)	26 & 34	(0.94)	2.93
Gain on sale of non - current financial assets measured at FVTPL	26	-	(10.32)
Gain on sale of current financial assets measured at FVTPL	26	(35.91)	(25.75)
Interest income	26	(104.90)	(91.87)
Finance costs	32	87.77	98.53
Impairment losses on financial assets (net)	34	5.39	2.20
Provision / (Reversal) for doubtful advances (net)		(0.05)	(5.00)
Provision/(Reversal) for slow and non moving Stores & Spares (net)	10	4.42	(6.39)
Provision no longer required written back (including write back of royalty on minerals in the previous year)	25 & 34	(24.69)	(45.49)
Net gain on fair valuation of current financial assets measured at FVTPL	26	(0.91)	(0.92)
Amortisation of operating lease rental		2.78	3.72
Share of profit in associates and joint ventures	37	(10.32)	(10.92)
Fair Value movement in Derivative Instruments		1.19	-
Unrealised exchange gain (net)		(1.10)	(0.12)
Operating profit before working capital changes		2,036.06	1,864.28
Changes in Working Capital:			
Adjustments for Decrease / (Increase) in operating assets:			
Decrease / (Increase) in Trade receivable, loans & advances and other assets	6-7, 9, 11, & 14-17	(268.37)	(779.48)
Decrease / (Increase) in Inventories	10	(279.03)	(173.76)
Adjustments for Increase / (Decrease) in operating liabilities:			
Increase / (Decrease) in Trade payables, Other liabilities and Provisions	20 & 22- 24	156.77	862.50
Cash generated from operations		1,645.43	1,773.54
Direct tax paid - (Net of refunds)		(527.89)	(219.09)
Net Cash flow from operating activities		**1,117.54**	**1,554.45**
B. Cash flow from investing activities			
Loans to Joint Venture	6	(0.11)	(0.12)
Payment received against loan given to Joint Venture		-	4.18
Purchase of Property, Plant & Equipment (Including Capital work-in-progress and Capital Advances)		(519.68)	(534.90)
Proceeds from sale of Property, Plant & Equipment		22.57	14.47
Proceeds from sale of non current investments in Shiva Cement Ltd		-	38.67
Net proceeds from sale of mutual funds		35.91	25.75
Investment in bank deposits (having original maturity for more than 12 months)	7	(4.35)	-
Investment in bank deposits (having original maturity for more than 3 months)		(117.39)	(2.05)
Redemption of bank deposits (having original maturity for more than 3 months)		125.49	-
Dividend received from Associate / Joint venture		1.09	4.75
Interest received		92.03	69.69
Net cash used in investing activities		**(364.44)**	**(379.56)**

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended December 31, 2018

Particulars	Note No.	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
C. Cash flow from financing activities			
Interest paid		(40.88)	(41.55)
Dividend paid	53	(281.68)	(319.24)
Dividend Distribution Tax paid	53	(57.90)	(64.99)
Net cash used in financing activities		**(380.46)**	**(425.78)**
Net increase in cash and cash equivalents		**372.64**	**749.11**
Add: Cash and cash equivalents at the beginning of the year	12	2,559.66	1,809.63
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	26	0.91	0.92
Cash and cash equivalents at the end of the year	12	**2,933.21**	**2,559.66**

See accompanying notes to the financial statements

Notes :1 Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

2 **Amendment to Ind AS 7 "Statement of Cash Flows"**

Effective January 01, 2018, the Group adopted the amendment to Ind AS 7 "Statement of Cash Flows", which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any impact on the financial statements.

In terms of our report attached

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

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 05, 2019

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN:00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN:07419090

SUSHIL KUMAR ROONGTA
Director
DIN:00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

VIJAY KUMAR SHARMA
Director
DIN: 02449088

CHRISTOF HASSIG
Director
DIN: 01680305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018

Company Overview and Significant Accounting Policies:

Corporate Information

ACC Limited ("the Company / Parent"), is a public company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on the National Stock Exchange of India (NSE) and the Bombay Stock Exchange Ltd. (BSE) of India. The registered office of the Company is located at Cement House, 121 Maharshi Karve Road, Mumbai – 400020, India.

The consolidated financial statements comprise the financial statements of ACC Limited ("the Company") and its subsidiaries (collectively, the Group).

The Group is principally engaged in the business of manufacturing and selling of Cement and Ready Mix Concrete. The Group has manufacturing facilities across India and caters mainly to the domestic market.

Information on the Group's structure is provided in Note - 36. Information on related party relationship of the Group is provided in Note - 43.

1. Significant Accounting Policies

(i) **Statement of Compliance**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') 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 February 05, 2019.

(ii) **Basis of Preparation**

The consolidated financial statements comprises the financial statements of ACC Limited ("the Company / Parent") and its subsidiaries (collectively, the Group) for the year ended December 31, 2018.

These consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the Consolidated Balance Sheet:

a) Certain financial assets and liabilities are measured at fair value (refer Note 1 (xiv) for accounting policy on Financial Instruments);

b) Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell;

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation; and

d) Investments in associates and joint ventures which are accounted for using the equity method.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

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 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii. Level 2 —inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 — inputs that are unobservable for the asset or liability

(iii) **Functional and Presentation Currency**

These consolidated financial statements are presented in Indian Rupees (₹) which is the functional currency of the Group.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

(iv) **Basis of Consolidation**

a) The consolidated financial statements incorporate the financial statements of the Company, entities controlled by the Company and its subsidiaries.

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:

i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

ii. Exposure, or rights, to variable returns from its involvement with the investee, and

iii. The ability to use its power over the investee to affect its returns

b) The Group reassesses 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 listed above.

c) When the Group has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. a contractual arrangement with the other vote holders of the investee

ii. rights arising from other contractual arrangements

iii. the Group's voting rights and potential voting rights

iv. 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

v. 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 that decisions need to be made, including voting patterns at previous shareholders' meetings.

d) 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 off 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.

e) The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of parent Company i.e. December 31, 2018.

f) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

g) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity share holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

h) 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.

i) When the Group loses control over a subsidiary, it:

   i. Derecognises the assets (including goodwill) and liabilities of the subsidiary

   ii. Derecognises the carrying amount of any non-controlling interests

   iii. Recognises the fair value of the consideration received

   iv. Recognises the fair value of any investment retained when control is lost. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

   v. Recognises any resulting difference as a gain or loss in the Consolidated Statement of Profit and Loss attributable to the parent.

   vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities

j) Consolidation procedure:

   i. Combines like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

   ii. Offsets (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (refer policy on business combinations for accounting for any related goodwill).

   iii. Eliminates in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

eliminated in full). Deferred tax effects are given for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions as per Ind AS 12 'Income Taxes'.

(v) Interests in associates and Joint arrangements

a) **Interests in Associate**

An Associate is an entity in 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. Significant influence is generally presumed to exist when the Group holds 20% or more of the voting power of an investee. Investments in associates are accounted for using equity method of accounting (refer point c below), after initially being recognised at cost.

b) **Joint Arrangement**

Interests in joint arrangements are interests over which the Group exercises joint control. 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.

Joint arrangements 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.

i. **Interests in Joint operation**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

The Group account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

ii. **Interests in Joint ventures**

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 arrangement.

Interests in joint ventures are accounted for using the equity method of accounting (refer point c below), after initially being recognised at cost.

c) 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 profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income.

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, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

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 resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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 of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The Group resumes recognising its share of 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 the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the accounting policy on impairment of non-financial assets.

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. Any difference between the carrying amount of investment in 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 Consolidated Statement of Profit and Loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, the Group reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

(vi) Business Combinations and Goodwill

Acquisition method

Acquisitions of businesses 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 the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss 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 at the basis indicated below:

a) 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 Taxes' and Ind AS 19 'Employee Benefits' respectively;

b) 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; and

c) 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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments', is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

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.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Bargain purchase

If the difference of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the business combination is regarded as bargain purchase.

In case of bargain purchase, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If such evidence exists, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as Capital Reserve.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Measurement period adjustments

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 (not more than one year from acquisition date), 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 among entities under common control

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

(vii) Non-controlling interests ("NCI")

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.

(viii) Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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.

These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within 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 Consolidated Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognise a contingent asset (if any) but discloses in the Consolidated Financial Statements.

(ix) Classification of Current/Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within twelve months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Group's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within twelve months after the reporting date; or

d. the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or Cash Equivalents, the Group has ascertained its normal operating cycle as twelve months for the purpose of Current / Non-current classification of assets and liabilities.

(x) Property, Plant and Equipment

Recognition and measurement

a) Property, Plant and Equipment are stated at cost of acquisition / installation or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses if any).

Cost comprises the purchase price, including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the asset to its working condition for its intended use, including relevant borrowing costs.

The present value of the expected cost for the decommissioning of an asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

b) 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.

c) When a major inspection is performed, its cost is recognised in the carrying amount of the Property, 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.

d) 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.

e) Property, Plant and Equipment not ready for the intended use on the date of Consolidated Balance Sheet are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition / construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

f) An item of Property, Plant and Equipment and any significant part initially recognised 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 under "Other Income / Other Expenses" when the asset is derecognised.

g) The Group had elected to continue with the carrying value of all its Property, Plant and Equipment as recognised in the Consolidated Financial Statements as at transition date to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Depreciation and Amortisation

a) Leasehold non-mining land held under finance lease is amortised over the period of lease on a straight line basis.

b) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non-mining land is not depreciated.

c) Depreciation on Property, Plant and Equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight line method and on CPP assets using the written down value method based on their respective estimated useful lives.

The Group identifies and determines cost of each component / part of the asset and depreciates 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.

Estimated useful lives of assets are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & Fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

d) Depreciation on additions to Property, Plant and Equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

e) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided upto the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

f) Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

g) The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

h) 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.

(xi) Intangible Assets

Recognition and Measurement:

a) Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax / duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

b) 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 item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

c) The Group had elected to continue with the carrying value of all its intangible assets as recognised in the Consolidated Financial Statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Amortisation

A summary of the policies applied to the intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

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 are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

(xii) **Impairment of Non-Financial Assets**

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax 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 the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

(xiii) Inventories

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores and Spare parts, Packing Material and Fuels

At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

b) Work-in-progress, Finished goods and Stock-in-Trade

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 costs incurred in bringing the inventories to the present location and condition. Cost is determined on a 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.

(xiv) 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.

a) **Financial assets**

The Group's financial assets comprise the following:

i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions (f) other short-term receivables (including incentive receivable from Government) and deposits and (g) forward contract.

ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits and (b) other long-term receivables (including incentive receivable from Government) and deposits.

Initial recognition and measurement

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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified in the following categories:

i. <u>Financial assets at amortised cost</u>

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. <u>Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL,</u>

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Group does not own any financial asset classified at fair value though other comprehensive income.

iii. <u>Financial assets at fair value through profit or loss (FVTPL)</u>

<u>Debt instrument at FVTPL</u>

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

A Financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item of Consolidated Statement of Profit and Loss.

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 Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'Other Income' line item of the Consolidated Statement of Profit and Loss.

For all investments in equity instruments other than held for trading, at initial recognition, the Group 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 Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

The Group has not designated investment in any equity instruments as FVTOCI.

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.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's financial statements) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its 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.

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.

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.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, bond, incentive receivable from Government; and

b) trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 18 "Revenue", if they do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL is the expected credit loss 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 effective interest rate (EIR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected in a separate line in the Consolidated Statement of Profit and Loss under the head 'Other Expenses' as an impairment gain or loss.

For financial assets measured at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

b) Financial liabilities and equity instruments

Classification as debt or equity

An 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.

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. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

The Group's current financial liabilities mainly comprise (a) borrowings (b) trade payables, (c) liability for capital expenditure, (d) security deposit, (e) other payables and (f) forward contract.

Initial recognition and measurement

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Group. All the financial liabilities of the Group are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Group does not owe any financial liability which is either classified or designated at fair value though profit or loss.

Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Consolidated Statement of Profit and Loss) when, and only when, the obligation under the liability is discharged or cancelled or expires.

An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "Financial Instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

(xv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income/ interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/ 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(xvi) Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statement of Profit and Loss.

(xvii) Foreign Currency Transactions / Translations

These financial statements are presented in Indian Rupees (₹).

Transactions in currencies other than Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

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

(xviii) Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, rebates and other similar allowances as applicable. The Group collects sales tax and value added tax (Pre GST) and Goods and Services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Rendering of services

Revenue from services is recognised with reference to the stage of completion of a contract when outcome can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income and royalties

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. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(xix) Retirement and other employee benefits

a) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plans

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.

c) Defined Benefit Plans

The Group's gratuity 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. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Defined benefit costs are categorised as follows:

i. The current service cost of the defined benefit plans, recognised in the Consolidated Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Consolidated Statement of Profit and Loss when they occur.

ii. 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. This cost is included in Finance cost in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), 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 Consolidated Statement of Profit and Loss in subsequent periods.

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss. 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. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

d) Accumulated Compensated Absences

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.

e) Other Long-term benefits

Long service awards and accumulated compensated absences which are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Group's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Consolidated Statement of Profit and Loss.

f) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

i. when the Group can no longer withdraw the offer of those benefits; and

i. when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' 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.

g) Presentation and disclosure

For the purpose of presentation of Defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. 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.

(xx) 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. This condition 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 asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortised.

(xxi) Borrowing Costs

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

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(xxii) Taxation

Tax expense comprises current 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.

Current income tax

Current income tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income Tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

Current income tax relating to items is 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.

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:

- 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, and
- 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

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:

- 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
- 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 Consolidated Statement of Profit and Loss is recognised outside Consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

Minimum alternate tax

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(xxiii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and included in Property, Plant and Equipment. Lease income is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Group in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

(xxiv) Segment Reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The board of directors of the Group has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker ("CODM").

(xxv) Cash and Cash equivalents

Cash and cash equivalents consist of cash and cheques on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of the Group's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds and certificates of deposit that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

(xxvi) Government Grants and Subsidies

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

b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable.

c) Where the government grant / subsidy relates to revenue, it is 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 grant and subsidy receivable against an expense are deducted from such expense.

d) Where the grant or subsidy relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

(xxvii) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the year 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.

(xxviii) Use of Estimates and Judgements

The preparation of the Group's Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 notes to the Consolidated financial statements.

The Group makes estimates and assumptions concerning the future. 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 summarized below:

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates;

Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are 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;

Recognition of deferred tax assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized;

Measurement of site restoration provisions

The measurement of site restoration provisions requires long-term assumptions regarding the phasing of the restoration work to be carried out and the appropriate discount rate to be used;

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialized lawyers.

The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability;

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Fair value measurement of financial instruments

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility;

Useful lives of Property, Plant and Equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset / component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the asset;

Impairment of investments in joint ventures and associates

Determining whether the investments in joint ventures and associates are impaired requires an estimate of the value of use of investments. In considering the value in use, the management has anticipated the capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses / operations of the Companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

(xxix) New Ind AS that has been issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) notified the new revenue recognition standard, viz., Ind AS 115 “Revenue from Contracts with Customers”. Ind AS 115 is applicable to the Group from January 01, 2019. As consequence of issue of Ind AS 115, other relevant Ind AS have been accordingly amended. The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

It prescribes a five-step model to help entities decide the timing and amount of revenue recognition from contracts with customers.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. The Group will adopt the standard from January 01, 2019. The Group has completed its evaluation of the possible impact of Ind AS 115. Except for the disclosure requirements, application of above standard is not expected to have any significant impact on the Group’s Financial Statements.

NOTE 2. PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (x) for accounting policy on Property, Plant and Equipment

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Depreciation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	As at December 31, 2017
Tangible Assets :										
Freehold Non-Mining Land	130.61	3.03	0.02	133.62	-	-	-	-	133.62	130.61
Freehold Mining Land	304.81	2.09	-	306.90	0.51	0.26	-	0.77	306.13	304.30
Leasehold Land	39.25	0.26	-	39.51	0.79	0.54	-	1.33	38.18	38.46
Buildings	1,615.26	49.06	2.76	1,661.56	142.86	78.95	1.37	220.44	1,441.12	1,472.40
Plant and Equipment	5,992.35	344.51	25.42	6,311.44	1,007.72	473.19	8.40	1,472.51	4,838.93	4,984.63
Railway Sidings	246.48	8.52	-	255.00	34.34	20.93	-	55.27	199.73	212.14
Furniture and Fixtures	25.61	2.61	0.96	27.26	9.10	3.89	0.35	12.64	14.62	16.51
Vehicles	57.09	11.95	0.40	68.64	17.76	9.92	0.28	27.40	41.24	39.33
Office equipment	53.25	6.49	0.57	59.17	27.17	10.91	0.52	37.56	21.61	26.08
Total	**8,464.71**	**428.52**	**30.13**	**8,863.10**	**1,240.25**	**598.59**	**10.92**	**1,827.92**	**7,035.18**	**7,224.46**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Depreciation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2017	As at December 31, 2016
Tangible Assets :										
Freehold Non-Mining Land	130.61	-	-	130.61	-	-	-	-	130.61	130.61
Freehold Mining Land	303.33	2.44	0.96	304.81	0.24	0.27	-	0.51	304.30	303.09
Leasehold Land	36.38	2.87	-	39.25	0.28	0.51	-	0.79	38.46	36.10
Buildings	1,580.62	35.77	1.13	1,615.26	65.23	77.91	0.28	142.86	1,472.40	1,515.39
Plant and Equipment	5,762.49	252.46	22.60	5,992.35	498.17	514.24	4.69	1,007.72	4,984.63	5,264.32
Railway Sidings	196.21	50.34	0.07	246.48	14.29	20.06	0.01	34.34	212.14	181.92
Furniture and Fixtures	23.42	2.58	0.39	25.61	4.70	4.52	0.12	9.10	16.51	18.72
Vehicles	50.63	7.01	0.55	57.09	8.72	9.29	0.25	17.76	39.33	41.91
Office equipment	46.40	7.30	0.45	53.25	13.98	13.56	0.37	27.17	26.08	32.42
Total	**8,130.09**	**360.77**	**26.15**	**8,464.71**	**605.61**	**640.36**	**5.72**	**1,240.25**	**7,224.46**	**7,524.48**

Notes:- Buildings include cost of shares ₹ 4,120 (Previous year - ₹ 4,120) in various Co-operative Housing Societies, in respect of 8 (Previous year - 8) residential flats.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 3. OTHER INTANGIBLE ASSETS

Refer Note 1 (xi) for accounting policy on Intangible Assets

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Amortisation charge for the year	Disposals	As at December 31, 2018	As at December 31, 2018	As at December 31, 2017
Intangible Assets :										
Computer Software	2.78	0.11	-	2.89	1.15	0.87	-	2.02	0.87	1.63
Mining Rights	43.76	1.91	-	45.67	5.36	3.76	-	9.12	36.55	38.40
Total	**46.54**	**2.02**	**-**	**48.56**	**6.51**	**4.63**	**-**	**11.14**	**37.42**	**40.03**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Amortisation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2017	As at December 31, 2016
Intangible Assets :										
Computer Software	3.99	0.35	1.56	2.78	0.36	0.79	-	1.15	1.63	3.63
Mining Rights	26.98	16.78	-	43.76	2.89	2.47	-	5.36	38.40	24.09
Total	**30.97**	**17.13**	**1.56**	**46.54**	**3.25**	**3.26**	**-**	**6.51**	**40.03**	**27.72**

NOTE 4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD

(measured at cost)

Refer Note 1 (v) for accounting policy on Investment in associates and joint ventures

Particulars	As at December 31, 2018		As at December 31, 2017	
	Numbers	₹ Crore	Numbers	₹ Crore
Investments in Unquoted equity instruments				
Investment in Associates				
Face value ₹ 10 each fully paid				
Alcon Cement Company Private Limited	4,08,001	13.67	4,08,001	13.76
Asian Concretes and Cements Private Limited	81,00,000	68.06	81,00,000	61.14
		81.73		**74.90**
Investment in Joint Ventures				
Face value ₹ 10 each fully paid				
OneIndia BSC Private Limited	25,01,000	5.81	25,01,000	4.23
Aakaash Manufacturing Company Private Limited	4,401	12.86	4,401	12.03
		18.67		**16.26**
Total		**100.40**		**91.16**
Aggregate amount of unquoted Investments		100.40		91.16

NOTE 5. NON-CURRENT INVESTMENTS

Refer Note 1 (xiv) for accounting policy on Investments

Particulars	As at December 31, 2018		As at December 31, 2017	
	Numbers	₹ Crore	Numbers	₹ Crore
Investment at fair value through profit or loss (FVTPL)				
Investment in equity instruments (fully paid)				
(i) Quoted				
Face value ₹ 2 each fully paid				
Shiva Cement Limited	-	-	2,36,50,000	28.35
Less: Sold during the previous year	-	-	2,36,50,000	28.35
		-		-
(ii) Unquoted*				
Face value ₹ 10 each fully paid				
Kanoria Sugar & General Mfg. Company Limited	4	-	4	-
Gujarat Composites Limited	60	-	60	-
Rohtas Industries Limited	220	-	220	-
The Jaipur Udyog Limited	120	-	120	-
Digvijay Finlease Limited	90	-	90	-
The Travancore Cement Company Limited	100	-	100	-
Ashoka Cement Limited	50	-	50	-
Face value ₹ 5 each fully paid				
The Sone Valley Portland Cement Company Limited	100	-	100	-
		-		**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 5. NON-CURRENT INVESTMENTS (Contd.)

Particulars	As at December 31, 2018		As at December 31, 2017	
	Numbers	₹ Crore	Numbers	₹ Crore
Investment at amortized cost				
Investment in Unquoted bonds				
Face value ₹ 10,00,000 each fully paid				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Total		**3.70**		**3.70**
Notes (I) Aggregate value of unquoted investments		3.70		3.70
(II) * Each of such investments is carried at value less than ₹ 50,000				

Refer Note 49 for information about fair value measurement and Note 50 for credit risk and market risk of investments.

NOTE 6. NON CURRENT - LOANS

Considered Good - Unsecured, unless otherwise stated

Refer Note 1 (xiv) for accounting policy on Loans

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Security deposits	153.93	205.45
Loans and advances		
Considered good - Unsecured	4.02	3.91
Receivables which have significant increase in credit risk (Refer Note 46)	22.59	24.91
Less: Allowance for doubtful advances	(22.59)	(24.91)
	4.02	3.91
Loans to Employees	11.19	13.23
Total	**169.14**	**222.59**

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for information about credit risk of loans.

NOTE 7. OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Incentives under Government schemes (Refer Note - 55)	320.92	410.28
Bank deposits with more than 12 months maturity	0.26	0.06
Margin money deposit with more than 12 months maturity*	4.15	-
Total	**325.33**	**410.34**

*Margin money deposit is against bank guarantees given to Government authorities.

Refer Note 50 for information about credit risk of other financial assets.

NOTE 8. NON-CURRENT TAX ASSETS (NET)

Refer Note 1 (xxii) for accounting policy on Taxation

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Advance tax (Net of provision for tax) (Refer Note - 21)	674.97	296.95
Total	**674.97**	**296.95**

NOTE 9. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Capital Advances	180.80	215.13
Advance other than Capital Advances		
Other claim receivables from Government		
Unsecured, considered good	156.02	146.50
Considered doubtful	4.32	4.38
Less: Allowance for doubtful receivables	(4.32)	(4.38)
	156.02	**146.50**
Deposits with Government bodies and others		
Unsecured, considered good	275.20	252.36
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	275.20	**252.36**
Lease Prepayments	-	2.78
Total	**612.02**	**616.77**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 10. INVENTORIES

At lower of cost and net realisable value

Refer Note 1 (xiii) for accounting policy on Inventories

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Raw Materials {Including goods-in-transit ₹ 11.22 Crore (Previous year - ₹ 10.85 Crore)}	185.74	153.96
Work-in-progress	222.89	230.87
Finished goods	293.77	161.62
Stock-in-trade	0.98	0.17
Stores and spares {Including goods-in-transit ₹ 20.70 Crore (Previous year - ₹ 16.19 Crore)}	394.30	383.69
Packing Materials	21.83	25.79
Fuels {Including goods-in-transit ₹ 46.37 Crore (Previous year - ₹ 51.78 Crore)}	559.88	448.68
Total	**1,679.39**	**1,404.78**

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 ₹ 4.42 Crore. In the previous year reversal of write-down of inventories of ₹ 6.39 Crore was consequent to consumption of inventories which were earlier written down.

NOTE 11. TRADE RECEIVABLES

Refer Note 1 (xiv) for accounting policy on Trade receivables

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Considered good - Secured	105.90	85.38
Considered good - Unsecured	761.47	580.59
Receivables which have significant increase in credit risk (Refer Note - 50(i))	24.65	29.03
	892.02	695.00
Less : Allowance for doubtful receivables	(24.65)	(29.03)
Total	**867.37**	**665.97**

No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for information about credit risk of trade receivables.

NOTE 12. CASH AND CASH EQUIVALENTS

Refer Note 1 (xxv) for accounting policy on Cash and Cash Equivalents

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Balances with banks:		
- In current accounts	97.26	176.27
- Deposits with original maturity of less than three months	1,078.19	500.14
	1,175.45	**676.41**
Cheques on hand*	98.66	34.24
Cash on hand	-	0.01
Deposit with other than banks with original maturity of less than three months	100.00	100.00
Post office saving accounts	0.01	0.01
	1,374.12	**810.67**
Investments in liquid mutual funds measured at FVTPL	722.99	984.16
Certificates of deposit with original maturity of less than three months	836.10	764.83
Total	**2,933.21**	**2,559.66**

*Cheques on hand are cleared subsequent to the year end.

NOTE 13. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Other bank balances:		
*Deposits with original maturity for more than 3 months but less than 12 months	115.21	121.55
**Margin money deposits with original maturity for more than 3 months but less than 12 months	13.93	15.69
#On unpaid dividend account	34.63	31.65
Total	**163.77**	**168.89**

* Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 114.76 Crore {(Previous year - ₹ 121.21 Crore) - Refer Note - 41 (A) (a)}.

** Margin money deposit is against bank guarantees given to Government authorities.

These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 14. CURRENT - LOANS

Considered good - unsecured

Refer Note 1 (xiv) for accounting policy on Loans

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Security deposits	72.01	35.26
Loan to employees	5.29	6.14
Total	**77.30**	**41.40**

No loans are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans are due from firms or private companies in which any director is a partner, a director or a member.

Refer Note 50 for credit risk of loans.

NOTE 15. OTHER CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Incentives under Government schemes (Refer Note - 55)	208.02	-
Interest Accrued on Investments	16.80	7.70
Other Accrued Interest	1.86	1.18
Total	**226.68**	**8.88**

Refer Note 50 for credit risk of other financial assets.

NOTE 16. OTHER CURRENT ASSETS

Considered Good - Unsecured, unless otherwise stated

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Advances other than capital advances		
Advances to suppliers	324.21	430.74
Prepaid expenses	25.00	22.42
Other receivables		
Balances with statutory/ government authorities	333.44	292.84
Lease Prepayments	-	3.72
Others	42.52	42.54
Other receivables which have significant increase in credit risk (Refer Note - 46)	17.72	17.72
	60.24	60.26
Less: Allowance for doubtful receivables	(17.72)	(17.72)
	42.52	42.54
Total	**725.17**	**792.26**

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.

NOTE 17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Refer Note 1 (xx) for accounting policy on Non-current assets held for sale

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Plant and equipment (i)	6.44	7.69
Building (ii)	5.11	5.39
Total	**11.55**	**13.08**

(i) The Group intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Group expects the fair value less cost to sell to be higher than carrying amount.

(ii) The Group intends to dispose off buildings (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ₹ 0.28 Crore (Previous year - ₹ 0.28 Crore) is recognised in the Consolidated Statement of Profit and Loss under other expenses.

NOTE 18. EQUITY SHARE CAPITAL

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Authorised		
22,50,00,000 (Previous year - 22,50,00,000) Equity shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous year - 10,00,00,000) Preference shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous year - 18,87,93,243) Equity shares of ₹ 10 each	**188.79**	**188.79**
Subscribed & Paid-up		
18,77,87,263 (Previous year - 18,77,87,263) Equity shares of ₹ 10 each fully paid	187.79	187.79
Add : 3,84,060 (Previous year - 3,84,060) Equity shares of ₹ 10 each forfeited - amount originally paid	0.20	0.20
Total	**187.99**	**187.99**

i) Reconciliation of number of equity shares outstanding

Particulars	Equity shares	
	No. of shares	₹ Crore
As at January 01, 2017	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2017	**18,77,87,263**	**187.79**
Increase/ (decrease) during the year	-	-
As at December 31, 2018	**18,77,87,263**	**187.79**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 18. EQUITY SHARE CAPITAL (Contd.)

ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per 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 shareholders.

iii) Equity shares held by holding company/ ultimate holding company and/ or their subsidiaries/ associates

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Ambuja Cements Limited, the Holding company 9,39,84,120 (Previous year - 9,39,84,120) Equity shares ₹ 10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited 84,11,000 (Previous year - 84,11,000) Equity shares ₹ 10 each fully paid	8.41	8.41

Companies referred above are subsidiaries of LafargeHolcim Ltd, Switzerland, the ultimate holding company.

iv) Details of shareholders holding more than 5% shares in the Company

Particulars	As at December 31, 2018		As at December 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	9,39,84,120	50.05
Life Insurance Corporation of India	1,94,05,142	10.33	1,94,05,142	10.33

v) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

NOTE 19. OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Securities Premium	845.03	845.03
General Reserve	2,796.78	2,796.78
Retained earnings	6,702.10	5,526.05
	10,343.91	**9,167.86**

NOTE 19. OTHER EQUITY (Contd.)

The description of the nature and purpose of each reserve within equity is as follows:

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to the Consolidated Statement of Profit and Loss. As per Companies Act 2013, transfer of profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Group.

Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders. Retained Earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Profit and Loss. Retained Earnings is a free reserve available to the Group.

NOTE 20. NON-CURRENT PROVISIONS

Refer Note 1 (viii) for accounting policy on provisions
Refer Note 1 (xvi) for accounting policy on Site restoration provisions

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer note - 38)	103.36	104.49
Provision for long service award	3.85	5.45
Other provisions		
Provision for Site Restoration	33.08	32.85
Total	**140.29**	**142.79**

NOTE 20.1 - Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Opening Balance	**32.85**	**30.82**
Provision / (reversal) during the year (net)	(1.62)	0.71
Utilised during the year	(0.13)	(0.28)
Unwinding of discount and changes in the discount rate	1.98	1.60
Closing Balance	**33.08**	**32.85**

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 21. INCOME TAX

Refer Note 1 (xxii) for accounting policy on Taxation

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2018:

Particulars	Year ended December 31, 2018		Year ended December 31, 2017	
	₹ Crore	In %	₹ Crore	In %
Profit before share of profit of associates and joint ventures and tax	1,499.79		1,299.14	
At India's statutory income tax rate	524.03	34.94%	449.63	34.61%
Effect of Allowances for tax purpose				
Investment allowance on new plant and Machinery under section 32 AC (Refer Note 1 below)	-	-	(33.29)	(2.56%)
Tax Holiday claim under section 80-IA	(52.29)	(3.49%)	(54.92)	(4.23%)
Effect of Non-Deductible expenses				
Corporate social responsibility expenses	7.13	0.48%	7.55	0.58%
Others (including effect of change in tax rate)	11.63	0.78%	18.23	1.41%
Effect of Tax Exempt Income - Dividend	(0.38)	(0.03%)	(1.65)	(0.13%)
	(33.91)	(2.26%)	(64.08)	(4.92%)
At the effective income tax rate	**490.12**	**32.68%**	**385.55**	**29.68%**
Tax adjustments for earlier years (Refer Note 2 below)	(500.63)	(33.38%)	-	-
Income tax expense reported in the Consolidated Statement of Profit and Loss	**(10.51)**	**(0.70%)**	**385.55**	**29.68%**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under Indian tax law.

1. The Group was eligible for Investment allowance on new plant and machinery which was applicable upto assessment year 2017-18.

2. **Tax adjustments for earlier years**

   The Group was entitled to incentives in the form of excise duty benefit for its Gagal Plant in the state of Himachal Pradesh, in respect of Income Tax Assessment Years 2006-07 to 2015-16. The Group contended in its income tax returns that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income Tax department had, for the assessment years 2006-07 to 2012-13, consistently not accepted this position and appeals were filed by the Group against the orders of the Assessing officer, with the Commissioner of Income Tax – Appeals (CIT-A). The Group had received favourable order from the assessing officer in one instance (Assessment Year 2013-14), but considering the several unfavourable orders by the tax department, the Group had up to December 31, 2017, classified the risk of an ultimate outflow of economic benefits for this matter as probable and provided for the same.

   During the current year, the CIT-A decided the issue in favour of the Group for two assessment years, 2008-09 and 2012-13. Appeals in respect of these two and other years are pending with different levels of appellate authorities for disposal. Additionally for the Assessment year 2014-15, the department had accepted the Group's contention that these incentives are capital receipts in the assessment order received during the current year. During the current year, however, for the two assessment years with favourable orders by the Assessing officer, the department has issued show cause notices for revisionary proceedings under Section 263 of the Income-tax Act, 1961 in respect of this claim, which are being contested.

   In view of the series of repeated favourable orders from the tax department, in the current year 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 during the current year, as mentioned above, the Group has reassessed the risk and concluded that the risk of an ultimate outflow of economic benefits for this matter is no longer probable.

NOTE 21. INCOME TAX (Contd.)

Accordingly the Group has reversed the existing provisions of ₹ 500.63 Crore resulting in reduction in Current Tax Liabilities by ₹ 200.30 Crore, increase in MAT Credit Entitlement (net) of ₹ 34.72 Crore and an increase in Non-Current Tax Assets (net) by ₹ 265.61 Crore.

Pending final legal closure of this matter the said amount has been disclosed under contingent liabilities in the financial statements.

Deferred tax:

Deferred tax relates to the following:

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Deferred Tax Liabilities:		
Depreciation and amortisation differences	895.92	862.29
Deferred tax Liabilities on undistributed profit of associates and joint ventures	10.73	9.07
	906.65	**871.36**
Deferred Tax Assets:		
Provision for employee benefits	47.37	41.71
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	103.81	105.47
Allowance for obsolescence of Stores and Spares	9.88	9.88
Allowance for doubtful debts, advances and other assets	11.79	13.07
MAT credit entitlement	22.67	115.73
Other temporary differences	36.56	33.94
	232.08	319.80
Net Deferred Tax Liabilities	**674.57**	**551.56**

The major components of deferred tax liabilities / assets arising on account of timing differences are as follows:

₹ Crore

Particulars	Net Balance as on January 01, 2018	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2018
Deferred Tax Liabilities:					
Depreciation and amortisation differences	862.29	33.63	-	-	895.92
Deferred tax liabilities on undistributed profit of associates and joint ventures	9.07	1.66	-	-	10.73
	871.36	**35.29**	**-**	**-**	**906.65**
Deferred Tax Assets:					
Provision for employee benefits	41.71	3.06	2.60	-	47.37
Expenditure debited in Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	105.47	(1.66)	-	-	103.81
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 21. INCOME TAX (Contd.)

Particulars	Net Balance as on January 01, 2018	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2018
Allowance for doubtful receivables and other assets	13.07	(1.28)	-	-	11.79
MAT credit entitlement*	115.73	-	-	(93.06)	22.67
Other temporary differences	33.94	2.62	-	-	36.56
	319.80	**2.74**	**2.60**	**(93.06)**	**232.08**
Net Deferred Tax Liabilities	**551.56**	**32.55**	**(2.60)**	**93.06**	**674.57**

*MAT Credit utilised is net of MAT Credit Entitlement of ₹ 34.72 Crore increased on account of tax adjustments for earlier years as stated above.

₹ Crore

Particulars	Net Balance as on January 01, 2017	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2017
Deferred Tax Liabilities:					
Depreciation and amortisation differences	776.99	85.30	-	-	862.29
Deferred Tax Liabilities on undistributed profit of associates and Joint venture	7.83	1.24	-	-	9.07
	784.82	**86.54**	**-**	**-**	**871.36**
Deferred Tax Assets:					
Provision for employee benefits	44.08	(1.12)	(1.25)	-	41.71
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	105.59	(0.12)	-	-	105.47
Allowance for obsolescence of Stores and Spares	9.88	-	-	-	9.88
Allowance for doubtful receivables and other assets	17.27	(4.20)	-	-	13.07
MAT credit entitlement	117.70	59.13	-	(61.10)	115.73
Other temporary differences	33.99	(0.05)	-	-	33.94
	328.51	**53.64**	**(1.25)**	**(61.10)**	**319.80**
Net Deferred Tax Liabilities	**456.31**	**32.90**	**1.25**	**61.10**	**551.56**

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹ 20.87 Crore (Previous Year - ₹ 18.10 Crore). No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

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.

The Group expects to utilize the MAT credit within the next year.

NOTE 21. INCOME TAX (Contd.)

The Subsidiaries having the following unused tax losses which arose on incurrence of business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

Financial Year	Category	₹ Crore	Expiry date
2010-11	Business Loss	0.09	March 31, 2019
2011-12	Business Loss	0.35	March 31, 2020
2012-13	Business Loss	0.86	March 31, 2021
2013-14	Business Loss	1.03	March 31, 2022
2014-15	Business Loss	0.27	March 31, 2023
2015-16	Business Loss	0.21	March 31, 2024
2016-17	Business Loss	0.95	March 31, 2025
2016-17	Depreciation	0.11	Not Applicable
2017-18	Business Loss	1.52	March 31, 2026
2017-18	Depreciation	0.06	Not Applicable
	Total	**5.45**	

The above information is based on the returns of income filed by the individual subsidiary companies upto assessment year 2018-2019.

NOTE 22. OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (xiv) for accounting policy Financial Instruments

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Financial Liabilities at amortised cost		
Interest accrued	24.18	18.17
Unpaid dividend*	34.63	31.65
Security deposits and retention money	553.55	530.73
Liability for capital expenditure	69.68	62.21
Others	92.31	78.58
Financial Liabilities at fair value		
Foreign currency forward contract	1.19	-
Total	**775.54**	**721.34**

*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 23. OTHER CURRENT LIABILITIES

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Statutory dues payable	575.85	595.80
Advances from customers	226.86	188.73
Other payables	991.92	953.44
(including Rebates to customers, interest on income tax, etc.)		
Total	**1,794.63**	**1,737.97**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 24. CURRENT PROVISIONS

Refer Note 1 (viii) for accounting policy on provisions

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note - 38)	18.16	29.55
Provision for compensated absences	8.12	20.81
Provision for long service award	1.02	0.83
Total	**27.30**	**51.19**

NOTE 25. REVENUE FROM OPERATIONS

Refer Note 1 (xviii) for accounting policy on Revenue Recognition

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Sale of products (including excise duty)*	14,470.19	13,837.51
Income from services rendered	7.28	9.03
Sale of products and services	**14,477.47**	**13,846.54**
Other Operating Revenue		
Provision no longer required written back	24.69	11.29
Scrap Sales	42.88	29.26
Incentives**	162.31	151.57
Miscellaneous income (including insurance claim, other services, etc.)	94.27	162.06
Total	**14,801.62**	**14,200.72**

*The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017.
Sales for the previous year include excise duty up to June 30, 2017 of ₹ 937.60 Crore

Excise Duty expense of ₹ 915. 59 Crore upto June 30, 2017 is shown separately on the face of the Consolidated Statement of Profit and Loss. Excise duty expense includes excise duty variation on opening and closing stock.

** Government grants have been accrued for the GST / VAT refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

NOTE 26. OTHER INCOME

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Interest income using the effective interest rate method		
Interest on bank deposits	94.11	67.14
Interest on income tax	0.10	14.86
Other interest income	10.69	9.87
Other non-operating Income	**104.90**	**91.87**
Gain on sale of current financial assets measured at FVTPL	35.91	25.75
Net gain on fair valuation of current financial assets measured at FVTPL*	0.91	0.92
Gain on sale of non - current financial assets measured at FVTPL	-	10.32
Net gain on disposal of Property, Plant and Equipment	0.94	-
	37.76	**36.99**
Total	**142.66**	**128.86**

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

NOTE 27. COST OF MATERIALS CONSUMED

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Inventories at the beginning of the year	153.96	131.07
Add: Purchases	2,399.95	2,002.93
	2,553.91	**2,134.00**
Less: Inventories at the end of the year	185.74	153.96
Total	**2,368.17**	**1,980.04**
Details of cost of materials consumed		

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Slag	464.91	326.94
Gypsum	356.25	343.23
Fly Ash	455.30	384.54
Cement	105.75	82.92
Aggregates	238.55	195.59
Others*	747.41	646.82
Total	**2,368.17**	**1,980.04**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 28. PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Cement	79.32	0.16
Ready Mix Concrete	9.94	0.68
Total	**89.26**	**0.84**

NOTE 29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Inventories at the end of the year		
Stock-in-Trade	0.98	0.17
Finished Goods	293.77	161.62
Work-in-progress	222.89	230.87
	517.64	**392.66**
Inventories at the Beginning of the year		
Stock-in-Trade	0.17	0.02
Finished Goods	161.62	139.00
Work-in-progress	230.87	238.74
	392.66	**377.76**
Total	**(124.98)**	**(14.90)**

NOTE 30. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Salaries and Wages*	775.99	711.22
Contributions to Provident and other Funds	58.09	58.20
Staff welfare expenses	49.50	51.94
Total	**883.58**	**821.36**

* Salaries and Wages expense for the year ended December 31, 2018 include ₹ 70.37 Crore (Previous year - Nil) on account of charge for Employee Separation Scheme.

NOTE 31. FREIGHT AND FORWARDING EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
On clinker transfer	515.82	480.83
On finished products	3,477.00	2,952.92
Total	**3,992.82**	**3,433.75**

NOTE 32. FINANCE COSTS

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Interest		
On Income tax	29.59	52.99
On Defined benefit obligation (net) (Refer Note - 38)	9.31	8.22
Interest on deposits from dealers	28.89	24.14
Interest on Royalty on limestone	10.31	-
Others	7.69	11.58
Unwinding of discount on site restoration provision (Refer Note - 20.1)	1.98	1.60
Total	**87.77**	**98.53**

NOTE 33. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Depreciation on Property, Plant and Equipment	598.59	640.36
Amortisation of intangible assets	4.63	3.26
Total	**603.22**	**643.62**

NOTE 34. OTHER EXPENSES

Particulars	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Consumption of stores and spare parts	319.56	331.92
Consumption of packing materials	502.59	434.36
Rent	137.11	139.79
Rates and taxes	152.11	152.45
Repairs	174.98	175.24
Insurance	21.53	22.07
Royalty on minerals (Refer Note 1 below)	271.54	225.74
Advertisement	72.10	87.42
Technology and know-how fees	144.46	128.37
Impairment losses on financial assets {(including reversals of impairment losses) (Refer Note - 50(i))}	5.39	2.20
Corporate Social Responsibility expense (Refer Note 3 below)	20.45	21.82
Miscellaneous expenses (Refer Note 2 below)	724.71	719.42
Total	**2,546.53**	**2,440.80**

Notes

1. Royalties on minerals expense is net of ₹ Nil (Previous year - ₹ 34.20 Crore) related to provision for contribution towards District Mineral Foundation (DMF) under the Mines and Minerals (Development and Regulation) Amendment Act, 2015, written back on the basis of Supreme Court's favourable Judgement dated October 23, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 34. OTHER EXPENSES (Contd.)

2. (i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

   (ii) Miscellaneous expenses includes Grinding facility charges, Commission on sales, Information technology services, Traveling expenses, Other third party services, etc.

   (iii) Miscellaneous expenses includes net loss of ₹ 3.23 Crore (Previous year - ₹ 4.23 Crore) on foreign currency transaction and translation.

   (iv) Miscellaneous expenses includes net loss of ₹ 2.12 Crore (Previous year - ₹ Nil) on foreign currency forward contract.

   (v) Miscellaneous expenses includes Loss on sale / write off of Property, Plant and Equipment (net) of ₹ Nil (Previous year - ₹ 2.93 Crore).

3. Details of Corporate Social Responsibility expenses:

   The Group has spent ₹ 20.45 Crore (Previous Year - ₹ 21.82 Crore) towards various schemes of Corporate Social Responsibility. The details are:

   (a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹ 19.60 Crore (Previous year - ₹ 18.73 Crore) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

   (b) No amount has been spent on construction / acquisition of an asset of the Group.

NOTE 35. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity share holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the parent 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Profit attributable to equity share holders (as per Consolidated Statement of Profit and Loss)		1,520.47	924.41
Weighted average number of equity shares for Earnings Per Share computation			
Number of shares for Basic Earnings Per Share		18,77,87,263	18,77,87,263
Effect of dilution:			
Number of shares held in abeyance		4,55,189	4,76,618
(Movement in number of shares is on account of change in average fair value of share)			
Weighted average number of Equity shares adjusted for the effect of dilution		18,82,42,452	18,82,63,881
Earnings per share			
Face value per share	₹	10.00	10.00
Basic	₹	80.97	49.23
Diluted	₹	80.77	49.10

NOTE 35: EARNINGS PER SHARE (EPS) (Contd.)

The following reflects the basic and diluted EPS computations excluding "Tax adjustments for earlier years".

Particulars		For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
Profit attributable to equity shareholders (as per Consolidated Statement of Profit and Loss)		1,520.47	924.41
Less: Tax adjustments for earlier years (Refer Note - 21)		500.63	-
Profit before tax adjustments for earlier years		1,019.84	924.41
Earning per share			
Face value per share	₹	10.00	10.00
Basic	₹	54.31	49.23
Diluted	₹	54.18	49.10

NOTE 36. GROUP INFORMATION

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2018	% equity interest As at December 31, 2017
Bulk Cement Corporation (India) Limited	Cement and cement related products	India	94.65%	94.65%
ACC Mineral Resources Limited	Cement and cement related products	India	100%	100%
Lucky Minmat Limited	Cement and cement related products	India	100%	100%
National Limestone Company Private Limited	Cement and cement related products	India	100%	100%
Singhania Minerals Private Limited	Cement and cement related products	India	100%	100%

The financial statements of each of the above Companies are drawn upto the same reporting date as that of the parent company, i.e. December 31, 2018.

The holding company

Ambuja Cements Limited is the holding Company of ACC Ltd. and LafargeHolcim Ltd. is the ultimate holding company for the Group.

Associates

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2018	% equity interest As at December 31, 2017
Alcon Cement Company Private Limited	Cement and cement related products	India	40%	40%
Asian Concretes and Cements Private Limited	Cement and cement related products	India	45%	45%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 36. GROUP INFORMATION (Contd.)

Joint ventures

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2018	% equity interest As at December 31, 2017
OneIndia BSC Private Limited	Shared services	India	50%	50%
Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	40%	40%
Joint Operations of ACC Mineral Resources Limited				
MP AMRL (Semaria) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Bicharpur) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Marki Barka) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Morga) Coal Company Limited	Cement related products	India	49%	49%

NOTE 37: FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL:

The Company's interests in below mentioned joint venture and associates and are accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the associate's and joint venture's financial statements prepared in accordance with Ind AS adjusted by the Company for equity accounting purposes:

a. **Joint ventures**

₹ Crore

Particulars	For the Year ended December 31, 2018	For the Year ended December 31, 2017
OneIndia BSC Private Limited		
Group's share of profit	1.59	1.26
Group's share of other comprehensive income	(0.01)	(0.10)
Group's share of total comprehensive income	1.58	1.16
Aakaash Manufacturing Company Private Limited		
Group's share of profit	1.49	1.72
Group's share of other comprehensive income	0.02	(0.02)
Group's share of total comprehensive income	1.51	1.70
	As at December 31, 2018	**As at December 31, 2017**
Aggregate carrying amount of the Group's interests in these Joint ventures		
OneIndia BSC Private Limited	5.81	4.23
Aakaash Manufacturing Company Private Limited	12.86	12.03

NOTE 37. FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL (Contd.)

b. Associates

₹ Crore

Particulars	For the Year ended December 31, 2018	For the Year ended December 31, 2017
Alcon Cement Company Private Limited		
Group's share of profit	0.32	0.52
Group's share of other comprehensive income	-	(0.01)
Group's share of total comprehensive income	0.32	0.51
Asian Concretes and Cements Private Limited		
Group's share of profit	6.92	7.42
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	6.92	7.42

₹ Crore

Particulars	As at December 31, 2018	As at December 31, 2017
Aggregate carrying amount of the Group's interests in these Associates		
Alcon Cement Company Private Limited	13.67	13.76
Asian Concretes and Cements Private Limited	68.06	61.14

NOTE 38. EMPLOYEE BENEFITS

Refer Note 1 (xix) for accounting policy on Employee benefits

a) **Defined Contribution Plans** – Amount recognised and included in Note 30 "Contributions to Provident and other Funds" of Consolidated Statement of Profit and Loss ₹ 16.92 Crore (Previous year - ₹ 17.94 Crore)

b) **Defined Benefit Plans** – As per actuarial valuation on December 31, 2018.

The Group has defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan as given below:

i. The Group operates a Gratuity Plan through a trust for its all employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 1, 2005 and separates from service of the Group on superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

iii. Benefits under Post Employment Medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.

Investment Strategy

The Group's investment strategy in respect of its funded plans is implemented within the framework of the applicable statutory requirements. The Group has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Group of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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.

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined Benefit Plans as per Actuarial valuation on December 31, 2018

Particulars		Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
		₹ Crore	₹ Crore	₹ Crore
I	**Expense recognised in the Consolidated Statement of Profit and Loss – for the year ended December 31, 2018**			
	Components recognised in the Consolidated Statement of Profit and Loss			
1	Current Service cost	13.58 *13.75*	8.54 *7.96*	(0.31) *(0.30)*
2	Net Interest cost	1.01 *0.94*	7.80 *6.87*	0.50 *0.41*
3	Past service cost	- -	(13.36) -	- -
4	Net benefit expense	14.59 *14.69*	2.98 *14.83*	0.19 *0.11*
	Components recognised in Consolidated other comprehensive income (OCI)			
5	Actuarial (gains) / losses arising from change in financial assumptions	(1.85) *(9.61)*	(0.82) *(6.49)*	0.10 *(0.42)*
6	Actuarial (gains) / losses arising from change in experience adjustments	3.49 *4.36*	1.62 *5.94*	3.31 *2.18*
7	Loss on plan assets (Excluding amount included in net interest expenses)	1.60 *0.42*	- -	- -
8	Sub-total - Included in OCI	3.24 *(4.83)*	0.80 *(0.55)*	3.41 *1.76*
9	Total expense (4 + 8)	17.83 *9.86*	3.78 *14.28*	3.60 *1.87*

(Figures in italics pertain to previous year)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

	Particulars	Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
		₹ Crore	₹ Crore	₹ Crore
II	**Amount recognised in Balance Sheet**			
1	Present value of Defined Benefit Obligation	(181.90) *(197.92)*	(102.89) *(109.75)*	(10.18) *(7.37)*
2	Fair value of plan assets	173.45 *180.99*	- -	- -
3	Funded status {Surplus/(Deficit)}	(8.45) *(16.93)*	(102.89) *(109.75)*	(10.18) *(7.37)*
4	Net asset/(liability) as at December 31, 2018	(8.45) *(16.93)*	(102.89) *(109.75)*	(10.18) *(7.37)*
III	**Present Value of Defined Benefit Obligation**			
1	Present value of Defined Benefit Obligation at beginning of the year	197.92 *204.21*	109.75 *106.11*	7.37 *6.53*
2	Current service cost	13.58 *13.75*	8.54 *7.96*	(0.31) *(0.30)*
3	Interest cost	13.73 *12.80*	7.80 *6.87*	0.50 *0.41*
4	Past service cost	- -	(13.36) -	- -
5	Actuarial (gains) / losses arising from changes in financial assumptions	(1.85) *(9.61)*	(0.82) *(6.49)*	0.10 *(0.42)*
6	Actuarial (gains) / losses arising from experience adjustments	3.49 *4.36*	1.62 *5.94*	3.31 *2.18*
7	Benefits Payments	(44.50) *(27.59)*	(10.64) *(10.64)*	(0.79) *(1.03)*
8	Increase/ (decrease) due to effect of any business combination, divestitures, transfers	(0.47) -	- -	- -
9	Present value of Defined Benefit Obligation at the end of the year	181.90 *197.92*	102.89 *109.75*	10.18 *7.37*
IV	**Fair Value of Plan Assets**			
1	Plan assets at the beginning of the year	180.99 *189.95*	- -	- -
2	Interest income	12.72 *11.86*	- -	 -
3	Contributions by Employer	21.00 *7.19*	- -	- -
4	Actual benefits paid	(39.66) *(27.59)*	- -	- -
5	Actuarial (gains / losses) arising from changes in financial assumptions	(1.60) *(0.42)*	- -	- -
6	Plan assets at the end of the year	173.45 *180.99*	- -	- -
V	**Weighted Average duration of Defined Benefit Obligation**	10 Years *7 Years*	10 Years *8.8 Years*	10.2 Years *8.7 Years*

(Figures in italics pertain to previous year)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2018

₹ Crore

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.44)	13.02	(7.78)	8.53	(0.76)	0.89
Future salary growth (1% movement)	12.94	(11.59)	8.94	(8.28)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.37	(0.35)

Sensitivity Analysis as at December 31, 2017

₹ Crore

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12.13)	13.78	(8.22)	9.43	(0.52)	0.77
Future salary growth (1% movement)	12.98	(12.01)	7.42	(7.16)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.75	(0.68)

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.

VII The major categories of plan assets as a percentage of total plan (%)

Particulars	Gratuity	
	As at December 31, 2018	As at December 31, 2017
Debt instruments		
Government securities	54%	56%
Debentures and bonds	38%	35%
Equity shares	4%	6%
Cash and cash equivalents:		
Fixed deposits	4%	3%
	100%	**100%**

NOTE 38. EMPLOYEE BENEFITS (Contd.)

VIII Actuarial Assumptions:

Particulars		As at December 31, 2018	As at December 31, 2017
a)	**Financial Assumptions**		
1	Discount Rate	7.45%	7.30%
2	Salary increase rate	7.00%	7.00%
b)	**Demographic Assumptions**		
1	Retirement age	60 years	60 years
2	Expected average remaining working lives of employees	10 years	10 years
3	Disability rate	5.00%	5.00%
4	Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate
5	Mortality post–retirement	Mortality for annuitants LIC (1996-98) Ultimate	Mortality for annuitants LIC (1996-98) Ultimate
6	Medical premium inflation	12% for the first four years and thereafter 8%	12% for the first four years and thereafter 8%

c) The discount rate is based on the prevailing market yields of Government of India securities as at Consolidated the Balance Sheet date for the estimated term of the obligations.

d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) Expected cash flows :

Particulars	Funded Gratuity		Unfunded Gratuity		PEMB	
	As at December 31, 2018	**As at December 31, 2017**	**As at December 31, 2018**	**As at December 31, 2017**	**As at December 31, 2018**	**As at December 31, 2017**
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
1. Expected employer contribution in the next year	15.00	14.10	-	-	-	-
2. Expected benefit payments						
Year 1	20.95	19.66	8.89	11.54	0.83	1.08
Year 2	20.42	27.81	9.02	10.91	0.86	1.00
Year 3	21.30	27.94	9.57	11.74	0.91	1.04
Year 4	22.38	26.78	11.26	11.24	0.95	1.03
Year 5	20.04	27.77	10.34	12.05	0.99	1.02
Next 5 years	77.47	125.28	44.14	55.95	4.90	4.70
Total expected payments	**182.56**	**255.24**	**93.22**	**113.43**	**9.44**	**9.87**

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the Consolidated Statement of Profit and Loss.

g) Amount recognised as an expense under employee benefit expenses in the Consolidated Statement of Profit and Loss in respect of compensated absences and long service award is ₹ 14.08 Crore (Previous year - ₹ 9.07 Crore).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 38. EMPLOYEE BENEFITS (Contd.)

c) Provident Fund

Provident fund for certain eligible employees is managed by the Group through a trust "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 ₹ 0.03 Crore (Previous year - Nil) is recognised in the Consolidated Statement of Profit and Loss.

Defined benefit plans as per actuarial valuation on December 31, 2018

Particulars		For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
I	**Components of expense recognized in the Consolidated Statement of Profit and Loss**		
1	Current Service cost	22.71	23.14
2	Total expense	22.71	23.14
II	**Amount recognised in Consolidated Balance Sheet**		
1	Present value of Defined Benefit Obligation	(729.68)	(714.09)
2	Fair value of plan assets	729.65	717.43
3	Funded status {Surplus/(Deficit)}	(0.03)	3.34
4	Net asset/(liability) as at end of the year*	(0.03)	3.34
III	**Present Value of Defined Benefit Obligation**		
1	Present value of Defined Benefit Obligation at beginning of the year	714.09	630.11
2	Current Service cost	22.71	23.14
3	Interest Cost	43.32	39.77
4	Employee Contributions	63.73	60.06
5	Actuarial (Gains) / Losses arising from changes in financial assumptions	(4.40)	(1.88)
6	Actuarial (Gains) / Losses arising from experience adjustments	(1.92)	11.82
7	Benefits Payments	(134.09)	(55.13)
8	Increase/ (decrease) due to effect of any transfers	26.24	6.20
9	Present value of Defined Benefit Obligation at the end of the year	729.68	714.09
IV	**Fair Value of Plan Assets**		
1	Plan assets at the beginning of the year	717.43	638.60
2	Interest income	43.32	43.25
3	Contributions by Employer	22.71	22.35
4	Contributions by Employee	63.73	60.06
5	Actual benefits paid	(134.09)	(55.13)
6	Net transfer in / (out)	26.24	6.20
7	Actuarial (gains) / losses arising from changes in financial assumptions	(9.69)	2.10
8	Plan assets at the end of the year	729.65	717.43
V	**Weighted Average duration of Defined Benefit Obligation**	10 years	7 years

*In respect of Provident Fund, only liability is recognised in Consolidated Balance Sheet. Surplus is not recognised in Consolidated Balance Sheet

NOTE 38. EMPLOYEE BENEFITS (Contd.)

VI The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2018	As at December 31, 2017
Debt instruments		
Government securities	37%	44%
Debentures and bonds	63%	56%
	100%	100%

VII The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at December 31, 2018	As at December 31, 2017
Discounting rate	7.45%	7.30%
Guaranteed interest rate	8.55%	8.65%
Yield on assets based on the Purchase price and outstanding term of maturity	9.20%	9.02%

VIII Sensitivity analysis for factors mentioned in Actuarial Assumptions

₹ Crore

Particulars	As at December 31, 2018		As at December 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.31)	22.84	(1.35)	1.62
Interest rate guarantee (1% movement)	22.48	(5.31)	33.59	(11.64)

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.

IX The Company expects to contribute ₹ 24.00 Crore (Previous year - ₹ 24.95 Crore) to trust managed provident fund in next year.

NOTE 39. LEASES

Operating lease commitments - Group as lessee

The Group has entered into operating leases on certain assets (grinding facility, godowns, land, flats, office premises and other premises). The Group has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Future lease rentals are determined on the basis of agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no subleases. At the expiry of the lease term, the Group has an option either to return the asset or extend the term by giving notice in writing.

Operating lease payment recognised in the Consolidated Statement of Profit and Loss amounts to ₹ 127.80 Crore (Previous year - ₹ 121.01 Crore) .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 39. LEASES (Contd.)

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	Not later than one year	53.93	50.24
(ii)	Later than one year and not later than five years	57.91	73.64
(iii)	Later than five years	28.55	19.91
		140.39	**143.79**

The Group has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Group has evaluated such arrangement based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the group takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

The Group has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

The Group has concluded that it is impracticable to separate the lease payments from other payments made under the arrangement reliably and hence all payments under this arrangement are considered as lease payments. There are no minimum lease payments under such arrangement.

Finance lease

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 hence other disclosures are not given.

NOTE 40. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for:

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
A) Estimated value of contracts on capital account remaining to be executed (net of advance)	159.17	61.62
B) For commitments relating to lease arrangements, refer note - 39		

NOTE 41. CONTINGENT LIABILITIES NOT PROVIDED FOR

Refer Note 1 (viii) for accounting policy on Contingent liabilities

(A) Claims against the Company not acknowledged as debt:

Disputed claims / levies in respect of:

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Competition Act, 2002	CCI matter - Refer Notes a & b below	1,504.36	1,366.65
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts (Refer Note - 21)	500.63	-
Service Tax - The Finance Act, 1994	Refer note c below	87.66	-
	Other service tax disputes	11.39	11.20
Claims for mining lease rent	Refer note d below	73.46	73.46
Sales Tax Act/ Commercial Tax Act of various states	Packing Material - Differential rate of tax. Matters pending with various authorities	20.52	20.52
	Other Sales tax matters	14.90	16.75
Customs Duty - The Customs Act, 1962	Demand of duty on import of Steam Coal during 2012 - 2013 classifying it as Bituminous Coal	30.97	30.97
Other Statutes/ Other Claims	Claims by suppliers regarding supply of raw material and other claim	39.87	32.78
	Demand of water drawal charges, pending before the Chattisgarh High Court	14.70	12.55
	Various other cases pertaining to claims related to Railways, labour laws, etc	18.09	28.22
Mines and Minerals (Development and Regulation) Act	The Group has received a demand notice from DMG Department for Limestone extracted in the period from 1962 to 1986 without payment of Royalty. The Group has files an appeal with Additional Director of Mines, Department of Mines and Geology.	19.87	19.87
	Demand of additional Royalty on Limestone based on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Company holds the view that the payment of royalty on limestone is correctly made by the Company based on the actual quantity of limestone extracted. Matter is pending at Madras High Court.	7.93	7.93
	Other royalty demand	0.99	0.99
	Total	**2,345.34**	**1,621.89**

In respect of above matters, future cash outflows are determinable only on receipt of judgments pending at various forums / authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 41. CONTINGENT LIABILITIES NOT PROVIDED FOR (Contd.)

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.

a) In 2012, the Competition Commission of India ('CCI') issued an Order imposing penalty on certain cement manufacturers, including the Group, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 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, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with section 3(3)(a) and Sec 3(3)(b) of the Competition Act and imposed a penalty of ₹ 1,147.59 Crore on the Company.

The Company had appealed against the penalty to the Competition Appellate Tribunal (COMPAT) which granted a stay with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2018 is ₹ 325.45 Crore (Previous Year - ₹ 183.74 Crore). COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgment of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the Consolidated Financial Statements.

b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹ 35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statement.

c) The dispute is regarding whether the "place of removal" is the "factory gate / Depot" or "destination point of customer" for availment of Service Tax Credit on "Outward Transportation cost" of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not "Input Service" and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assesse relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon'ble Supreme Court, vide Order dated

NOTE 41: CONTINGENT LIABILITIES NOT PROVIDED FOR (Contd.)

January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s. Ultratech Cement (Chattishgarh State) has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon'ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/S Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon'ble Supreme Court which is likely to be referred to three member bench.

Based on the advice of the external legal counsel, conflicting decisions of various courts and CBIC Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

d) The Company had received a demand letter dated May 10, 2013 from the Government of Tamil Nadu, seeking annual compensation for the period 01.04.1997 to 31.03.2014 for use of the Government land for mining, which land the Company 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 letter calling upon the company to pay a sum of ₹ 73.46 Crore as compensation for use of Government land. The Company has challenged the demand by way of Revision under the Mineral Concession Rules and in a Writ Petition before the Hon'ble High Court of Tamil Nadu at Chennai, has obtained orders restraining the State from taking any coercive steps.

The Company is of the view and has been advised legally, that the merits are strongly in its favour.

NOTE 42. MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE GROUP

a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ₹ 56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹ 64 Crore (tax of ₹ 56 Crore and interest of ₹ 8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

b) The Company was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹ 7 Crore representing part of the One Time 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 Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/ raised by the Government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 42: MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE GROUP (Contd.)

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed 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, the Company received only ₹ 64 Crore out of total ₹ 235 Crore in part disbursement from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding. The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP shall be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 133 Crore (Previous Year - ₹ 133 Crore) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company believes that the merits of the claim are strong.

d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision) (Previous Year - ₹ 56.66 Crore), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore (Previous Year - ₹ 115.62 Crore), which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) One of the Company's 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 Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹ 82.37 Crore (Previous year - ₹ 82.37 Crore) was raised. The Company 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 Company believes its case is strong and the demand shall not sustain under law.

NOTE 42: MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE GROUP (Contd.)

f) The Company 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. The Company received demand from District Mining Officer for ` 881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases upto march 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease upto March 2030 permitting the Company to commence mining operations after depositing ₹ 48 Crore, being assessed value of materials dispatched between April 2014 to Sep 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by the Company.

The Company believes that the case shall not stand the test of judicial scrutiny basis the automatic renewal coupled with legal advice.

NOTE 43. RELATED PARTY DISCLOSURE

(A)	**Names of the Related parties where control exists:**	**Nature of Relationship**
1	LafargeHolcim Ltd, Switzerland	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	OneIndia BSC Private Limited	Joint venture Company
5	Aakaash Manufacturing Company Private Limited	Joint venture Company
(B)	**Others - With whom transactions have been taken place during the current and/or previous year**	
(a)	**Names of other Related parties**	**Nature of Relationship**
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Technology (Singapore) Pte Ltd, Singapore	Fellow Subsidiary
4	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary
5	Holcim Services (South Asia) Limited	Fellow Subsidiary
6	Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
7	Holcim Philippines, Inc, Philippines	Fellow Subsidiary
8	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
9	Holcim Technology Ltd, Switzerland	Fellow Subsidiary
10	LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
11	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
12	Lafargeholcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
13	Cementos Apasco SA de CV (LHMEX), Mexico	Fellow Subsidiary
14	Dirk India Private Limited	Fellow Subsidiary
15	Lafarge SA, France	Fellow Subsidiary
16	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
17	The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
18	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)
	In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(b)	Name of the Related Parties	Nature of Relationship
1	Mr. Neeraj Akhoury	Managing Director & CEO (w.e.f February 04, 2017)
2	Mr. Harish Badami	CEO & Managing Director (upto February 03, 2017)
3	Mr. Sunil K. Nayak	Chief Financial Officer
4	Mr. Surendra Mehta	Company Secretary (w.e.f April 21, 2017 upto September 25, 2017)
5	Mr. Ramaswami Kalidas	Company Secretary (w.e.f. September 26, 2017)
6	Mr. Burjor D. Nariman	Company Secretary upto March 31, 2017
7	Mr. N S Sekhsaria	Chairman, Non Executive / Non Independent Director
8	Mr. Jan Jenisch	Deputy Chairman, Non Executive / Non Independent Director (w.e.f. October, 10, 2017)
9	Mr. Eric Olsen	Deputy Chairman, Non Executive / Non Independent Director (upto September 21, 2017)
10	Mr. Martin Kriegner	Non Executive / Non Independent Director
11	Mr. Shailesh Haribhakti	Independent Director
12	Mr. Sushil Kumar Roongta	Independent Director
13	Mr. Ashwin Dani	Independent Director
14	Mr. Farrokh K Kavarana	Independent Director
15	Mr. Vijay Kumar Sharma	Non Independent Director
16	Mr. Arunkumar R Gandhi	Independent Director
17	Ms. Falguni Nayar	Independent Director
18	Mr. Christof Hassig	Non Independent Director

(C)	Transactions with Joint Venture Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Purchase of Finished Goods**	**104.12**	**93.12**
	Aakaash Manufacturing Company Private Limited {Refer Note - 47 (ii)}	104.12	93.12
(ii)	**Sale of Finished Goods**	**14.57**	**22.35**
	Aakaash Manufacturing Company Private Limited	14.57	22.35
(iii)	**Receiving of Services**	**29.00**	**26.52**
	OneIndia BSC Private Limited	29.00	26.52
(iv)	**Dividend Received**	**0.68**	**1.69**
	Aakaash Manufacturing Company Private Limited	0.68	1.69
(v)	**Reimbursement of Expenses Received/Receivable**	**0.02**	**0.37**
	Aakaash Manufacturing Company Private Limited	0.02	0.37
(vi)	**Reimbursement of Expenses Paid / Payable**	**0.47**	**0.29**
	Aakaash Manufacturing Company Private Limited	-	0.29
	OneIndia BSC Pvt Ltd.	0.47	-
(vii)	**Other recoveries (Net)**	**2.11**	**-**
	Aakaash Manufacturing Company Private Limited	2.11	-

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

	Outstanding balances with Joint venture Companies	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**1.30**	**3.63**
	Aakaash Manufacturing Company Private Limited	1.30	3.63
(ii)	**Outstanding balance included in Trade payables**	**21.92**	**21.58**
	Aakaash Manufacturing Company Private Limited	19.31	18.36
	OneIndia BSC Private Limited	2.61	3.22

(D)	Transactions with Associate Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Purchase of Finished Goods**	**71.89**	**69.58**
	Alcon Cement Company Private Limited {Refer Note - 47(i)}	71.89	69.58
(ii)	**Purchase of Raw Materials**	**20.76**	**23.14**
	Asian Concretes and Cements Private Limited	20.76	23.14
(iii)	**Sale of Unfinished Goods**	**26.40**	**27.33**
	Alcon Cement Company Private Limited {Refer Note - 47(i)}	26.40	27.33
(iv)	**Dividend Received**	**0.41**	**3.06**
	Alcon Cement Company Private Limited	0.41	3.06
(v)	**Rendering of Services**	**-**	**1.19**
	Alcon Cement Company Private Limited	-	1.19
(vi)	**Receiving of Services**	**117.92**	**91.57**
	Asian Concretes and Cements Private Limited	117.92	91.57
(vii)	**Reimbursement of Expenses Received/Receivable**	**14.71**	**10.52**
	Alcon Cement Company Private Limited	14.71	10.52
(viii)	**Reimbursement of Expenses Paid/Payable**	**3.16**	**5.45**
	Asian Concretes and Cements Private Limited	0.54	3.41
	Alcon Cement Company Private Limited	2.62	2.04

	Outstanding balances with Associate Companies	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**8.99**	**11.78**
	Alcon Cement Company Private Limited	8.99	11.78
(ii)	**Outstanding balance included in Trade payables**	**22.96**	**23.62**
	Asian Concretes and Cements Private Limited	19.27	14.70
	Alcon Cement Company Private Limited	3.69	8.92

(E)	Details of Transactions relating to Ultimate Holding and Holding Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Dividend paid**	**153.60**	**174.07**
	Ambuja Cements Limited	140.98	159.77
	Holderind Investments Limited	12.62	14.30
(ii)	**Purchase of Raw materials**	**0.24**	**4.36**
	Ambuja Cements Limited	0.24	4.36
(iii)	**Purchase of Finished /Unfinished goods**	**35.17**	**10.16**
	Ambuja Cements Limited	35.17	10.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(E)	Details of Transactions relating to Ultimate Holding and Holding Companies	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(iv)	**Purchase of Stores & Spares**	**0.10**	**-**
	Ambuja Cements Limited	0.10	-
(v)	**Sale of Fixed Assets**	**19.23**	**13.13**
	Ambuja Cements Limited	19.23	13.13
(vi)	**Sale of Finished /Unfinished Goods**	**23.59**	**30.63**
	Ambuja Cements Limited	23.59	30.63
(vii)	**Sale of Raw Material**	**8.34**	**1.82**
	Ambuja Cements Limited	8.34	1.82
(viii)	**Rendering of Services**	**47.66**	**53.39**
	Ambuja Cements Limited	47.66	53.39
(ix)	**Reimbursement of Expenses Paid / Payable**	**-**	**0.32**
	Ambuja Cements Limited	-	0.32
(x)	**Receiving of Services**	**47.47**	**48.21**
	Ambuja Cements Limited	47.47	48.21
(xi)	**Reimbursement of Expenses Received / Receivable**	**0.04**	**0.27**
	Ambuja Cements Limited	0.04	0.27

	Outstanding balances with Ultimate Holding and Holding Companies	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**15.61**	**31.68**
	Ambuja Cements Limited	15.61	31.16
	LafargeHolcim Ltd	-	0.52
(ii)	**Outstanding balance included in Other current assets - advances**	**0.04**	**-**
	Ambuja Cements Limited	0.04	-
(iii)	**Outstanding balance included in Trade payables**	**18.25**	**16.58**
	Ambuja Cements Limited	18.25	16.58

(F)	Details of Transactions relating to Fellow Subsidiary Companies / Joint venture of Holding Company	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Purchase of Raw materials**	**288.37**	**348.64**
	LafargeHolcim Energy Solutions SAS	285.04	345.24
	Counto Microfine Products Private Limited	3.28	3.35
	Dirk India Private Limited	0.05	0.05
(ii)	**Sale of Finished /Unfinished Goods**	**0.16**	**0.29**
	Counto Microfine Products Private Limited	0.16	0.29
(iii)	**Technology and Know-how fees**	**144.46**	**128.37**
	Holcim Technology Ltd	144.46	128.37
(iv)	**Receiving of Services**	**75.05**	**79.86**
	Holcim Services (South Asia) Limited	74.66	78.93
	Holcim Group Services Ltd	0.39	0.89
	Holcim Technology Ltd	-	0.04

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(F)	Details of Transactions relating to Fellow Subsidiary Companies / Joint venture of Holding Company	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(v)	**Rendering of Services**	11.01	-
	Holcim Services (South Asia) Limited	4.75	-
	Holcim Group Services Ltd	2.19	-
	Lafarge SA	2.62	-
	Holcim Technology Ltd	1.45	-
(vi)	**Reimbursement of Expenses Paid / Payable**	-	0.07
	Holcim Technology Ltd	-	0.07
(vii)	**Reimbursement of Expenses Received / Receivable**	**0.77**	**2.27**
	Holcim Technology Ltd	0.45	2.13
	Lafargeholcim Energy Solutions SAS	0.17	-
	LafargeHolcim Trading Pte Ltd	0.13	0.01
	Counto Microfine Product Private Limited	0.01	0.01
	Lafargeholcim Bangladesh Ltd	0.01	-
	Holcim Technology (Singapore) Pte Ltd	-	0.01
	Cementos Apasco SA de CV (LHMEX)	-	0.11

	Outstanding balances with Fellow Subsidiary Companies / Joint venture of Holding Company	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
(i)	**Outstanding balance included in Trade receivables**	**11.82**	**0.88**
	Holcim Services (South Asia) Limited	4.75	-
	Lafarge SA	3.07	-
	Holcim Group Services Ltd	2.19	-
	Holcim Technology Ltd	1.45	-
	PT Holcim Indonesia Tbk	0.15	0.15
	Lafarge Holcim Trading Pte Limited	0.13	0.01
	Counto Microfine Product Pvt Ltd	0.03	0.05
	Holcim Philippines, Inc	0.02	0.02
	Holcim Cement (Bangladesh) Ltd	0.01	0.01
	Holcim Technology (Singapore) Pte Ltd	0.01	0.01
	Cementos Apasco SA de CV (LHMEX)	-	0.11
	Lafargeholcim Bangladesh Ltd	0.01	-
(ii)	**Outstanding balance included in Trade payables**	**159.80**	**217.88**
	LafargeHolcim Energy Solutions SAS	124.50	168.11
	Holcim Technology Ltd	33.70	30.14
	Counto Microfine Products Private Limited	0.63	0.65
	Holcim Services (South Asia) Limited	0.62	18.38
	Holcim Group Services Ltd	0.35	0.59
	Dirk India Private Limited	-	0.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

(G)	Details of Transactions with Key Management Personnel	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
(i)	**Remuneration***	**11.52**	**8.23**
	Mr. Neeraj Akhoury**	7.13	4.15
	Mr. Sunil K. Nayak	3.36	2.94
	Mr. Ramaswami Kalidas	1.03	0.24
	Mr. Burjor D. Nariman	-	0.30
	Mr. Surendra Mehta	-	0.60
	Breakup of Remuneration	**11.52**	**8.23**
	Short term employment benefit	11.05	7.49
	Post employment benefits	0.10	0.06
	Other long term benefits	0.37	0.68

(ii)	Other Payment to Key Management Personnel	For the year ended December 31, 2018 ₹ Crore	For the year ended December 31, 2017 ₹ Crore
	Commission Payable	**3.19**	**3.53**
	Mr. N S Sekhsaria	0.50	0.50
	Mr. Arunkumar Gandhi	0.45	0.45
	Mr. Martin Kriegner#	-	0.36
	Mr. Shailesh Haribhakti	0.36	0.36
	Mr. Sushil Kumar Roongta	0.36	0.36
	Mr. Ashwin Dani	0.36	0.36
	Mr. Farrokh Kavarana	0.36	0.36
	Mr. Vijay Kumar Sharma	0.20	0.20
	Mr. Jan Jenisch	0.20	0.04
	Ms. Falguni Nayar	0.20	0.20
	Mr. Christof Hassig	0.20	0.20
	Mr. Eric Olsen	-	0.14
	Sitting Fees	**0.53**	**0.73**
	Mr. N S Sekhsaria	0.04	0.06
	Mr. Arunkumar Gandhi	0.08	0.09
	Mr. Martin Kriegner#	0.04	0.08
	Mr. Shailesh Haribhakti	0.07	0.08
	Mr. Sushil Kumar Roongta	0.09	0.11
	Mr. Ashwin Dani	0.06	0.08
	Mr. Farrokh Kavarana	0.07	0.12
	Mr. Vijay Kumar Sharma	0.01	0.01
	Mr. Jan Jenisch	0.01	-
	Ms. Falguni Nayar	0.03	0.06
	Mr. Christof Hassig	0.03	0.03
	Mr. Eric Olsen	-	0.01

NOTE 43. RELATED PARTY DISCLOSURE (Contd.)

* Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

**Remuneration does not include performance incentive for respective years, pending finalisation. Current year remuneration includes ₹ 2.44 Crore performance incentive paid for 2017.

Mr Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on October 17, 2018.

The Group makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd" for certain eligible employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ₹ 22.71 Crore (Previous Year - ₹ 22.35 Crore).

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC Limited Employees Group Gratuity scheme). During the year, the Group contributed ₹ 21.00 Crore (Previous Year - ₹ 7.19 Crore).

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended December 31, 2018, the Company has not recorded any loss allowances for trade receivables from related parties (Previous year - Nil).

NOTE 44. SEGMENT REPORTING

For management purposes, the Group is organised into business units based on the nature of the products, the differing risks and returns. The organization structure and internal reporting system has two reportable segments, as follows:

(a) **Cement** - Cement is a product which is obtained from clinker resulting from mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, etc; in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.

(b) **Ready mix concrete -** Ready-mix concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 44. SEGMENT REPORTING (contd.)

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
REVENUE						
External sales	13,171.09	12,692.83	1,306.38	1,153.71	14,477.47	13,846.54
Inter-segment sales	216.00	225.18	2.76	4.90	218.76	230.08
Other operating revenue	318.08	349.63	6.07	4.55	324.15	354.18
	13,705.17	13,267.64	1,315.21	1,163.16	15,020.38	14,430.80
Less : Elimination	216.00	225.18	2.76	4.90	218.76	230.08
Total revenue	**13,489.17**	**13,042.46**	**1,312.45**	**1,158.26**	**14,801.62**	**14,200.72**
OPERATING EBITDA	1,914.29	1,797.45	133.83	114.98	2,048.12	1,912.43
Segment result	**1,328.37**	**1,173.78**	**116.71**	**98.10**	**1,445.08**	**1,271.88**
Unallocated corporate Income net of unallocated expenditure					37.58	33.92
Operating Profit					**1,482.66**	**1,305.80**
Finance Costs					(87.77)	(98.53)
Interest and Dividend income					104.90	91.87
Share of profit from associates and Joint ventures					10.32	10.92
Tax expenses (Refer Note - 21)					10.51	(385.55)
Profit after tax					**1,520.62**	**924.51**
Capital expenditure (including capital work-in-progress and capital advances)	477.29	482.03	47.45	21.62	524.74	503.65
Depreciation and Amortisation	586.69	626.79	16.53	16.83	603.22	643.62
Other non-cash expenses	11.64	5.59	3.57	2.95	15.21	8.54
Segment assets	11,687.19	11,326.92	454.07	372.53	12,141.26	11,699.45
Unallocated Corporate assets					3,914.69	3,146.29
Total assets					**16,055.95**	**14,845.74**
Segment liabilities	4,078.40	3,950.72	315.23	278.49	4,393.63	4,229.21
Unallocated Corporate liabilities					1,127.39	1,257.80
Total liabilities					**5,521.02**	**5,487.01**

₹ Crore

Sales from external customer	For the year ended December 31, 2018	For the year ended December 31, 2017
Within India	14,472.37	13,783.17
Outside India *	5.10	63.37
TOTAL	**14,477.47**	**13,846.54**

No single customer contributed 10% or more to the Group's revenue for the year ended December 31, 2018 and December 31, 2017.

* Sales outside India are in functional currency.

All the non-current assets are located within India

NOTE 45. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006*

Particulars	As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprises (Not overdue)	8.02	4.81
Interest due on above		
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

NOTE 46.

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 August 25, 2014 read with its order dated September 24, 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 March 23, 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 March 31, 2014. The Hon'ble Delhi High Court issued its judgment on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 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 re-imbursement of expenses incurred up to the date of vesting order. In respect of other three blocks, auctioning dates are yet to be announced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 47.

(i) The Group has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ₹ 20.63 Crore (Previous year - ₹ 22.84 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of cement so converted. This transaction has been identified in the nature of lease (Refer Note - 39).

(ii) The Group has arrangement with a Joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale of such Ready Mix Concrete to customer of ₹ 87.91 Crore (Previous year - ₹ 83.61 Crore) has not been recognized as a part of the turnover but has been adjusted against cost of purchase of Ready Mix Concrete.

NOTE 48. CAPITALISATION OF EXPENDITURE

During the year, the Group has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

Particulars	2018 ₹ Crore	2017 ₹ Crore
Balance at the beginning of the year	**2.80**	18.56
Expenditure during construction for projects:		
Employee benefits expense	1.26	6.60
Miscellaneous expenses	3.15	2.95
Total	**7.21**	**28.11**
Less : Capitalised during the year	2.22	25.31
Balance at the end of the year	**4.99**	**2.80**

NOTE 49. FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

Particulars	Note No.	Carrying value	
		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Equity investments		-	-
Cash and cash equivalents - Mutual funds	12	722.99	984.16
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	936.10	864.83
Other Cash and cash equivalents (Balances with banks)	12	1,274.12	710.67
Bank balances other than Cash and Cash Equivalents	13	163.77	168.89
Investments in Bonds	5	3.70	3.70
Security deposits (Current and Non-Current)	6 & 14	225.94	240.71
Loans and Other financial assets (Current and Non-Current)	6, 7, 14 & 15	572.51	442.50
Trade receivables	11	867.37	665.97
3. Measured at fair value through Other Comprehensive Income		-	-
Total		**4,766.50**	**4,081.43**

Particulars	Note No.	Carrying value	
		As at December 31, 2018 ₹ Crore	As at December 31, 2017 ₹ Crore
Financial liabilities			
1. Measured at Fair value through profit or loss (FVTPL)			
Foreign currency forward contract	22	1.19	-
2. Measured at amortised cost			
Trade payables		1,926.26	1,813.74
Security deposits and retention money	22	553.55	530.73
Other financial liabilities	22	220.80	190.61
Total		**2,701.80**	**2,535.08**

Management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 49: FINANCIAL INSTRUMENTS (contd.)

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Consolidated Statement of Profit and Loss are as follows:

₹ Crore

Particulars	For the Year ended December 31, 2018	For the Year ended December 31, 2017
Financial assets measured at amortised cost		
Interest income	(104.80)	(77.01)
Impairment losses on financial assets (including reversals of impairment losses)	5.39	2.20
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(35.91)	(25.75)
Net gain on fair valuation of current financial assets	(0.91)	(0.92)
Gain on sale of non - current financial assets	-	(10.32)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	3.23	4.23
Interest expenses on deposits from dealers	28.89	24.14
Financial liabilities measured at fair value through profit or loss		
Net Loss on foreign currency forward contract	2.12	-
Net gain recognised in the Consolidated Statement of Profit and Loss	**(101.99)**	**(83.43)**

(C) Fair Value Hierarchy

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.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs that are unobservable for the asset or liability.

NOTE 49: FINANCIAL INSTRUMENTS (contd.)

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

	Level 1	Level 2	Level 3	Total
As at December 31, 2018				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	722.99	-	-	722.99
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at Fair value through profit or loss (FVTPL)				
Foreign currency forward contract	-	1.19	-	1.19
As at December 31, 2017				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	-	-
Cash and cash equivalents - Mutual funds	984.16	-	-	984.16
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	-	-	-

During the reporting period ending December 31, 2018 and December 31, 2017, there was no transfer between level 1 and level 2 fair value measurement.

The following methods and assumptions were used to estimate the fair values:

Level 1: Quoted bid prices in an active market - Unadjusted Quoted price in principle market in which equity instrument is actively traded.

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required).

Other financial assets and liabilities

Management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Evaluation and Management is an ongoing process within the Group. The Group has a robust risk management framework to identify, monitor, mitigate and minimize risks arising from financial instruments.

The Group is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Group's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimize potential adverse effects on the Group's financial performance.

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 Board of Directors reviews and agrees on policies for managing each of these risks, which are summarized below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. check on counterparties basis credit rating 4. Number of overdue days
Liquidity Risk	Trade payables, Deposits from dealers, Foreign exchange forward contract and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk-Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Forward foreign exchange contract
Market Risk- Price risk	Investment in equity instruments	Sensitivity analysis	1. Strategic investment
Market Risk-Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the 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 placed with banks and financial institutions and other financial instruments.

<u>Financial assets other than trade receivables</u>

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with its policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Group's Board of Directors.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Company result in material concentration of credit risks.

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of collaterals. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interactions with responsible persons for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing in creditworthy counterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Group's net sales. Therefore, the Group does not expect any material risk on account of non-performance by any of its counterparties.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ Crore

Particulars	As at December 31, 2018	As at December 31, 2017
Neither past due nor impaired	318.80	260.96
Past due not impaired		
- 1-180 days	499.49	364.39
- more than 180 days	49.08	40.62
Past due impaired		
- 1-180 days	-	2.74
- more than 180 days	24.65	26.29
Total	**892.02**	**695.00**

Expected credit loss assessment

For trade receivables, as a practical expedient, the Group compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The following table summarizes the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	₹ Crore
As at January 01, 2017	36.98
Provided during the year	3.84
Amounts utilised	(10.15)
Reversals of Provision	(1.64)
As at December 31, 2017	**29.03**
Provided during the year	7.54
Amounts utilised	(9.77)
Reversals of Provision	(2.15)
As at December 31, 2018	**24.65**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit impaired

For expected credit loss as at each reporting date the Group assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Group assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

₹ Crore

Particulars	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2018				
Other financial liabilities*	774.35	806.09	-	806.09
Foreign currency forward contract	1.19	1.19	-	1.19
Trade payables	1,926.26	1,926.26	-	1,926.26
	2,701.80	**2,733.54**	**-**	**2,733.54**

Particulars	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2017				
Other financial liabilities*	721.34	741.31	-	741.31
Trade payables	1,813.74	1,813.74	-	1,813.74
	2,535.08	**2,555.05**	**-**	**2,555.05**

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

*Other financial liabilities includes deposits received from customers amounting to ₹ 499.77 Crore (Previous year - ₹ 459.30 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.

(iii) 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 of three types of risk: interest rate risks, currency risk and other price risk such as equity price risks and commodity risk. Financial instruments affected by market risk include loans and borrowings, investments, deposits and trade payables.

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

Based on sensitivity analysis, the Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

₹ Crore

As at December 31, 2018	USD	EUR	CHF	GBP
Trade Payable	130.22	2.13	0.02	0.04
Foreign exchange derivative contracts	(83.85)	-	-	-
Net exposure to foreign currency risk (liabilities)	**46.37**	**2.13**	**0.02**	**0.04**

As at December 31, 2017	USD	EUR	CHF
Trade Payable	211.58	2.17	0.15
Foreign exchange derivative contracts	-	-	-
Net exposure to foreign currency risk (liabilities)	**211.58**	**2.17**	**0.15**

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

₹ Crore

Particulars	As at December 31, 2018		As at December 31, 2017	
	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	2.32	(2.32)	10.58	(10.58)
EUR	0.11	(0.11)	0.11	(0.11)
CHF	-	-	0.01	(0.01)
TOTAL	**2.43**	**(2.43)**	**10.70**	**(10.70)**

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

NOTE 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Market Risk- Price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate due to change in marked traded prices. Other price risk arises from the financial assets such as investments in equity instruments and bonds.

The Group was exposed to equity price risks arising from equity investment in Shiva Cement Limited. Group's equity investment was held for strategic rather than trading purposes. During the previous year, the Group sold investment in Shiva Cement Limited.

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 drop in operating margin. To manage this risk, the Group take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the Central procurement team.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the interest rate risk arises primarily from their loans and borrowings. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

The Group has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/ lower the Profit for the year ended December 31, 2018 would decrease / increase by ₹ 2.50 Crore (Previous year - ₹ 2.30 Crore).

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

NOTE 51. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As stated in the below table, the Group is a Zero debt Group with no long-term borrowings. The Group is not subject to any externally imposed capital requirements.

₹ Crore

Particulars	Note No.	As at December 31, 2018	As at December 31, 2017
Total Debt		-	-
Less: Cash and cash equivalents	12	(2,933.21)	(2,559.66)
Net Debt		(2,933.21)	(2,559.66)
Equity attributable to owners of the parent	18 & 19	10,531.90	9,355.85
Debt to Equity (Net)		NA	NA

Note 52

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 in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2018	As at December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018	December 31, 2018
Parent								
ACC Limited	100.43	10,577.35	98.99	1505.20	100.20	(4.85)	98.99	1500.35
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.15	15.70	0.18	2.77	-	-	0.18	2.77
ACC Mineral Resources Limited	(0.45)	(47.23)	0.19	2.85	-	-	0.19	2.85
Lucky Minmat Limited	(0.32)	(33.19)	(0.03)	(0.48)	-	-	(0.03)	(0.48)
National Limestone Company Private Limited	(0.08)	(8.06)	(0.01)	(0.15)	-	-	(0.01)	(0.15)
Singhania Minerals Private Limited	(0.02)	(2.47)	0.01	0.11	-	-	0.01	0.11
Non-controlling interests in all subsidiaries	(0.03)	(3.03)	(0.01)	(0.15)	-	-	(0.01)	(0.15)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.08)	(8.58)	0.02	0.32	-	-	0.02	0.32
Asian Concretes and Cements Private Limited	0.30	31.25	0.46	6.92	-	-	0.46	6.92
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.03	3.31	0.10	1.59	0.21	(0.01)	0.10	1.58
Aakaash Manufacturing Company Private Limited	0.07	6.85	0.10	1.49	(0.41)	0.02	0.10	1.51
TOTAL	**100.00**	**10,531.90**	**100.00**	**1,520.47**	**100.00**	**(4.84)**	**100.00**	**1,515.63**

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

Note 52 (Contd.)

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 in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2017	As at December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017
Parent								
ACC Limited	100.67	9,418.79	100.41	928.29	105.80	2.37	100.43	930.66
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.12	11.12	0.21	1.90	-	-	0.21	1.90
ACC Mineral Resources Limited	(0.55)	(51.56)	(1.65)	(15.28)	-	-	(1.65)	(15.28)
Lucky Minmat Limited	(0.35)	(32.70)	(0.05)	(0.47)	-	-	(0.05)	(0.47)
National Limestone Company Private Limited	(0.08)	(7.92)	(0.02)	(0.15)	-	-	(0.02)	(0.15)
Singhania Minerals Private Limited	(0.03)	(2.59)	(0.08)	(0.70)	-	-	(0.08)	(0.70)
Non-controlling interests in all subsidiaries	(0.03)	(2.88)	(0.01)	(0.10)	-	-	(0.01)	(0.10)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.09)	(8.49)	0.06	0.52	(0.45)	(0.01)	0.06	0.51
Asian Concretes and Cements Private Limited	0.26	24.33	0.80	7.42	-	-	0.80	7.42
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.02	1.73	0.14	1.26	(4.46)	(0.10)	0.13	1.16
Aakaash Manufacturing Company Private Limited	0.06	6.02	0.19	1.72	(0.89)	(0.02)	0.18	1.70
TOTAL	**100.00**	**9,355.85**	**100.00**	**924.41**	**100.00**	**2.24**	**100.00**	**926.65**

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2017.

NOTE 53. DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

Particulars	For the year ended December 31, 2018	For the year ended December 31, 2017
	₹ Crore	₹ Crore
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2017: ₹ 15 per share (Previous year - ₹ 6 per share for 2016)	281.68	112.67
Dividend distribution tax on final dividend*	57.90	22.94
Interim equity dividend ₹ Nil per share (Previous year - ₹ 11 per share)	-	206.57
Dividend distribution tax on interim dividend	-	42.05
	339.58	**384.23**
Proposed dividends on equity shares:		
Final cash dividend for the year ended December 31, 2018: ₹ 14 per share (Previous year - ₹ 15 per share)	262.90	281.68
Dividend distribution tax on proposed dividend *	54.04	57.34
	316.94	**339.02**

* Dividend distribution tax on proposed dividend for Previous year has been changed due to change in Dividend distribution tax rate w. e. f. April 1, 2018.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at December 31.

NOTE 54. GOODWILL ON CONSOLIDATION

Movement in Goodwill on consolidation

₹ Crore

Particulars	As at December 31, 2018	As at December 31, 2017
Carrying amount as at beginning of the year	15.57	15.57
Impairment during the year	-	-
Net carrying value as at end of the year	**15.57**	**15.57**

Goodwill of ₹ 15.57 Crore (Previous year - ₹ 15.57 Crore) relates to acquisition of a business of subsidiary companies. For the purpose of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGUs) :

₹ Crore

Particulars	As at December 31, 2018	As at December 31, 2017
Lucky Minmat Limited (LML)	6.42	6.42
National Limestone Company Private Limited (NLCPL)	5.38	5.38
Singhania Minerals Private Limited (SMPL)	3.28	3.28
Bulk Cement Corporation (India) Limited (BCCI)	0.49	0.49
TOTAL	**15.57**	**15.57**

Of the above CGUs, LML, NLCPL and SMPL are engaged in the business of extracting of limestone. BCCI is in the business of handling of cement.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2018 (Contd.)

market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

As at December 31, 2018, the cash flows are estimated over the life of respective mines.

Following are the key assumptions considered for value-in-use calculation:

1. Production of mines is estimated as per the production schedule in the mining plans submitted to the regulatory authorities.
2. Limestone is a commodity for which there is no market existing. Average selling price of the limestone considered based on the information available from the Indian Bureau of Mines ("IBM"). Expected increase in selling price is considered at 3% every year.
3. The cost of production is given an inflation effect of 4% every year for first five years and 3% every year thereafter and royalty rate is increased by 10% in every five year.
4. Weighted average cost of capital (WACC) estimated as 15.51%

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Based on the Group's assessment there is no impairment of goodwill.

NOTE 55 : The Group has accrued Incentives Receivable under Government Schemes in the form of GST / VAT refunds from the various state governments (Refer Notes 7 and 15). Consequent to clarification issued by The Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India on April 04, 2018 on above incentives, the Group has further evaluated the classification of these incentives in the financial statements. Considering that the Group has complied with the conditions attached to the scheme and hence entitled to the incentives as per the scheme, such incentive receivable falls under the definition of financial instruments. Accordingly the Group has reclassified the said receivables from non-financial assets to financial assets as per Ind AS 109. Consequently, all comparative periods presented have been reclassified as per current year presentation. The Management believes that the reclassification has no material effect on the information in the Consolidated Balance Sheet.

NOTE 56 : Figures for the previous year have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors of ACC Limited,

N.S.SEKHSARIA	**ARUNKUMAR R GANDHI**	**MARTIN KRIEGNER**
Chairman	*Director*	*Director*
DIN: 00276351	DIN: 00007597	DIN:00077715
NEERAJ AKHOURY	**SUSHIL KUMAR ROONGTA**	**ASHWIN DANI**
Managing Director & CEO	*Director*	*Director*
DIN:07419090	DIN:00309302	DIN: 00009126
SUNIL K. NAYAK	**FARROKH K. KAVARANA**	**FALGUNI NAYAR**
Chief Financial Officer	*Director*	*Director*
	DIN: 00027689	DIN: 00003633
RAMASWAMI KALIDAS	**VIJAY KUMAR SHARMA**	**CHRISTOF HASSIG**
Company Secretary	*Director*	*Director*
FCS - 2440	DIN: 02449088	DIN: 01680305

Mumbai, February 05, 2019

CONSOLIDATED NET PROFIT FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars		2018		2017
		₹ Crore	₹ Crore	₹ Crore
ACC's Net Profit			1,506.63	915.45
Add:	Adjustment for impairment of investments (AMRL)			15.15
Add:	Pro-rata share of profits / (losses) of subsidiaries -			
	Bulk Cement Corporation (India) Limited	2.77		1.90
	ACC Mineral Resources Limited	4.32		(11.50)
	Lucky Minmat Limited	(0.49)		(0.47)
	National Limestone Co. Pvt. Limited	(0.23)		(0.19)
	Singhania Mineral Private Limited	0.04		(0.75)
			6.41	**(11.01)**
Add:	Pro-rata share of profit of Joint ventures and Associates		10.32	10.92
Less:	Minority Interest of Subsidiary (BCCI)		0.15	0.10
Less:	Dividend received from Associates and Joint Ventures		1.09	4.75
Less:	Deferred tax on undistributed profit of Associates and Joint ventures		1.66	1.24
Add:	Other adjustments (Net)		0.01	(0.01)
	Profit attributable to Owners of the Company		**1,520.47**	**924.41**

CONSOLIDATED EQUITY AS AT DECEMBER 31, 2018

Particulars		2018		2017
		₹ Crore	₹ Crore	₹ Crore
ACC's Equity			10,527.66	9,365.46
Add:	Adjustment for impairment of investments (AMRL)		57.96	57.96
Add:	Net worth as per Balance Sheet of Subsidiary Companies -			
	Bulk Cement Corporation (India) Limited	55.34		52.55
	ACC Mineral Resources Limited	74.72		70.40
	Lucky Minmat Limited	(1.51)		(1.02)
	National Limestone Co. Pvt. Limited	0.45		0.68
	Singhania Mineral Private Limited	(0.40)		(0.44)
		128.60		**122.17**
Less:	Pro- rata share of Minority shareholders interest in			
	the Net Worth of Subsidiary Companies	3.03		2.88
	ACC₹s share in pre-acquisition Net Worth of Subsidiary Companies	157.90		157.90
			(32.33)	(38.61)
Less:	Amortisation of Goodwill in Subsidiary Companies		43.85	43.85
Less:	Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add:	Increase in Net Worth of Alcon Cement Company Pvt. Ltd.		(8.58)	(8.49)
Add:	Increase in Net Worth of Asian Cements & Concretes Pvt. Ltd.		31.24	24.32
Add:	Increase in Net Worth of Aakaash Manufacturing Co. Pvt. Ltd.		6.86	6.03
Add:	Increase in Net Worth of OneIndia BSE Pvt. Ltd.		3.30	1.73
Less:	Deferred tax on undistributed profit from JVs and Associates		10.73	9.07
Less:	Other adjustments (Net)		0.16	0.16
Consolidated Equity			**10,531.90**	**9,355.85**

STATEMENT CONTAINING EXTRACT OF SUBSIDIARIES FINANCIAL STATEMENTS

₹ Crore

Particulars	Balance Sheet as at December 31, 2018				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
ASSETS					
Non-current assets					
Fixed assets	22.56	-	0.05	5.97	0.20
Financial Assets					
Loans	0.25	-	1.09	6.57	-
Other Financial Assets	-	-	-	-	-
Non current tax assets (Net)	1.56	0.21	0.12	0.07	-
Other non-current assets	0.10	-	-	0.15	-
Total Non-current assets	**24.47**	**0.21**	**1.26**	**12.76**	**0.20**
Current assets					
Inventories	0.47	-	0.36	-	
Financial Assets					
Trade receivables	3.87	-	-	-	0.02
Cash and cash equivalents	32.69	0.43	0.07	63.28	0.17
Loans	-	-	-	-	-
Other Financial Assets	3.71	-	-	0.64	-
Other current assets	0.02	-	0.01	2.07	1.01
Total Current assets	**40.76**	**0.43**	**0.44**	**65.99**	**1.20**
TOTAL ASSETS	**65.23**	**0.64**	**1.70**	**78.75**	**1.40**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	33.64	3.25	2.00	121.95	0.52
Other Equity	21.70	(4.76)	(1.55)	(47.23)	(0.92)
Total Equity	**55.34**	**(1.51)**	**0.45**	**74.72**	**(0.40)**
Liabilities					
Non-current liabilities					
Provisions	-	-	-		0.78
Deferred tax liabilities (Net)	0.75	-	-		-
Total Non-current liabilities	**0.75**	**-**	**-**	**-**	**0.78**
Current liabilities					
Financial Liabilities					
Borrowing	-	0.05	0.87	-	0.64
Trade payables	3.73	-	0.22	4.03	0.33
Other financial liabilities	1.75	2.10	0.09		-
Other current liabilities	3.27	-	0.07		0.05
Provisions		-	-		-
Current tax liabilities (Net)	0.39	-	-		-
Total Current liabilities	**9.14**	**2.15**	**1.25**	**4.03**	**1.02**
TOTAL EQUITY AND LIABILITIES	**65.23**	**0.64**	**1.70**	**78.75**	**1.40**

STATEMENT CONTAINING EXTRACT OF SUBSIDIARIES FINANCIAL STATEMENTS

₹ Crore

PARTICULARS	Balance Sheet as at December 31.2017				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
ASSETS					
Non-current assets					
Fixed assets	24.74	-	0.05	5.98	0.22
Financial Assets					
Loans	0.25	-	-	6.46	-
Other Financial Assets	-	-	1.19	-	-
Non current tax assets (Net)	1.19	0.22	-	-	-
Other non-current assets	0.20	-	-	0.15	0.08
Total Non-current assets	**26.38**	**0.22**	**1.24**	**12.59**	**0.30**
Current assets					
Inventories	0.47	-	0.36	-	-
Financial Assets					
Trade receivables	8.49	-	0.07	-	0.55
Cash and cash equivalents	32.37	0.41	0.08	0.13	0.17
Loans	-	-	0.04	59.17	-
Other Financial Assets	1.33	-	-	-	-
Other current assets	0.12	-	-	2.93	0.36
Total Current assets	**42.78**	**0.41**	**0.55**	**62.23**	**1.08**
TOTAL ASSETS	**69.16**	**0.63**	**1.79**	**74.82**	**1.38**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	33.64	3.25	2.00	121.95	0.52
Other Equity	18.91	(4.27)	(1.32)	(51.55)	(0.96)
Total Equity	**52.55**	**(1.02)**	**0.68**	**70.40**	**(0.44)**
Liabilities					
Non-current liabilities					
Provisions	-	-		-	0.76
Deferred tax liabilities (net)	1.13	-		-	-
Total Non-current liabilities	**1.13**	**-**	**-**	**-**	**0.76**
Current liabilities					
Financial Liabilities					
Borrowing	-	-	0.63	-	0.03
Trade payables	9.09	-	0.16	4.30	0.93
Other financial liabilities	2.44	-		-	-
Other current liabilities	3.33	1.65	-	-	0.09
Provisions	-	-	-	-	0.01
Current tax liabilities (Net)	0.62	-	0.32	0.12	-
Total Current liabilities	**15.48**	**1.65**	**1.11**	**4.42**	**1.06**
TOTAL EQUITY AND LIABILITIES	**69.16**	**0.63**	**1.79**	**74.82**	**1.38**

STATEMENT CONTAINING EXTRACT OF SUBSIDIARIES FINANCIAL STATEMENTS

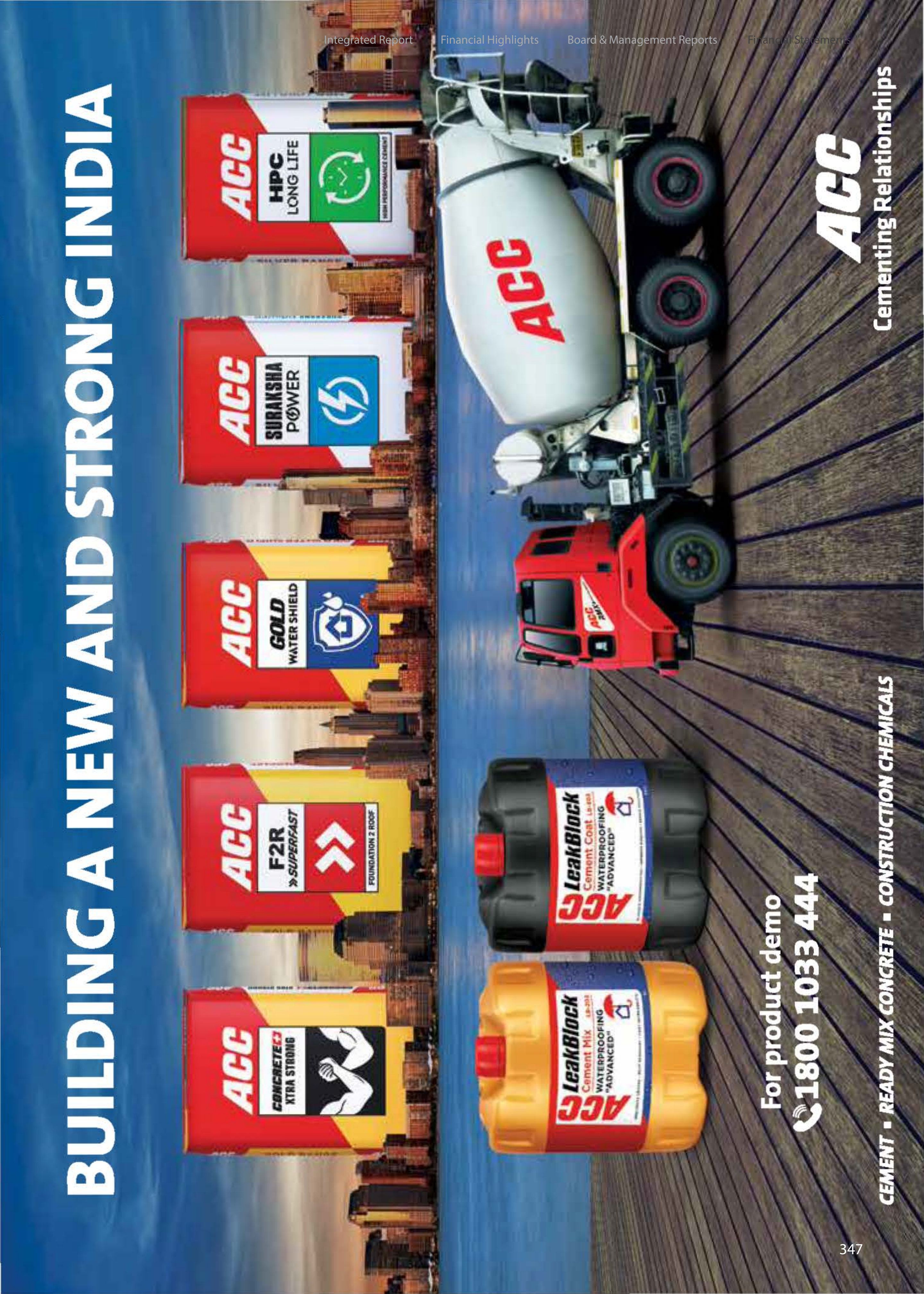
₹ Crore

Particulars	Profit and Loss account for the year ended December 31.2018				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
Income					
Revenue from operations	18.76	0.01	0.06	-	5.03
Other income	2.56	-	-	4.30	-
Total Income	**21.32**	**0.01**	**0.06**	**4.30**	**5.03**
Expenses					
Cost of materials consumed	-	-	-	-	2.94
Purchases of stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
Employee benefits expense	2.52	-	-	-	-
Power and Fuel	2.71	-	-	-	-
Freight and Forwarding expense	-	-	-	-	-
Finance costs	-	-	0.08		0.11
Depreciation and amortization expense	3.55	-	-	0.01	0.02
Other expenses	9.15	0.50	0.21	0.42	1.92
Total expenses	**17.93**	**0.50**	**0.29**	**0.43**	**4.99**
Profit before tax	**3.39**	**(0.49)**	**(0.23)**	**3.87**	**0.04**
Tax expenses	0.62	-	-	(0.45)	-
Profit after Tax	**2.77**	**(0.49)**	**(0.23)**	**4.32**	**0.04**

STATEMENT CONTAINING EXTRACT OF SUBSIDIARIES FINANCIAL STATEMENTS

₹ Crore

Particulars	Profit and Loss account for the year ended December 31, 2017				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
Income					
Revenue from operations	17.27	-	-	-	2.48
Other income	2.04	0.01	-	4.25	-
Total Income	**19.31**	**0.01**	**-**	**4.25**	**2.48**
Expenses					
Cost of materials consumed	-	-	-	-	-
Purchases of stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
Employee benefits expense	2.41	-	-	-	-
Power and Fuel	2.49	-	-	-	-
Freight and Forwarding expense	-	-	-	-	-
Finance costs	-	-	0.05	-	0.04
Depreciation and amortization expense	3.47	-	-	0.03	0.01
Other expenses	8.06	0.48	0.14	15.30	3.18
Total expenses	**16.43**	**0.48**	**0.19**	**15.33**	**3.23**
Profit before tax	**2.88**	**(0.47)**	**(0.19)**	**(11.08)**	**(0.75)**
Tax expenses	0.98	-	-	0.42	-
Profit after Tax	**1.90**	**(0.47)**	**(0.19)**	**(11.50)**	**(0.75)**


BUILDING A NEW AND STRONG INDIA
ACC CONCRETE+ XTRA STRONG
ACC F2R » SUPERFAST
FOUNDATION 2 ROOF
ACC GOLD WATER SHIELD
ACC SURAKSHA POWER
ACC HPC LONG LIFE
HIGH PERFORMANCE CEMENT
ACC
ACC LeakBlock Cement Mix
WATERPROOFING "ADVANCED"
ACC LeakBlock Cement Coat
WATERPROOFING "ADVANCED"
For product demo
1800 1033 444
ACC
Cementing Relationships
CEMENT • READY MIX CONCRETE • CONSTRUCTION CHEMICALS

THIS PAGE IS INTENTIONALLY LEFT BLANK


ACC RMX+ READY MIX CONCRETE
HIGH PERFORMANCE CONCRETE
TO BUILD THE INDIA OF TOMORROW.
ACC
1800 1033444
• CEMENT • READY MIX CONCRETE • CONSTRUCTION CHEMICALS
ACC
Cementing Relationships

THIS PAGE IS INTENTIONALLY LEFT BLANK

NOTES

NOTES

Our Network

ACC Limited is India's foremost manufacturer of cement and ready mix concrete with 17 cement plants, 75 ready mix concrete plants, 1 bulk terminal, a vast distribution network of 50,000+ channel partners and a countrywide spread of sales offices.

Corporate Office
Mumbai (Maharashtra)

Cement Plants

Andhra Pradesh
1. Vizag

Chhattisgarh
2. Jamul

Himachal Pradesh
3. Gagal I
4. Gagal II

Jharkhand
5. Chaibasa
6. Sindri

Karnataka
7. Kudithini
8. Thondebhavi
9. Wadi I
10. Wadi II

Madhya Pradesh
11. Kymore

Maharashtra
12. Chanda

Odisha
13. Bargarh

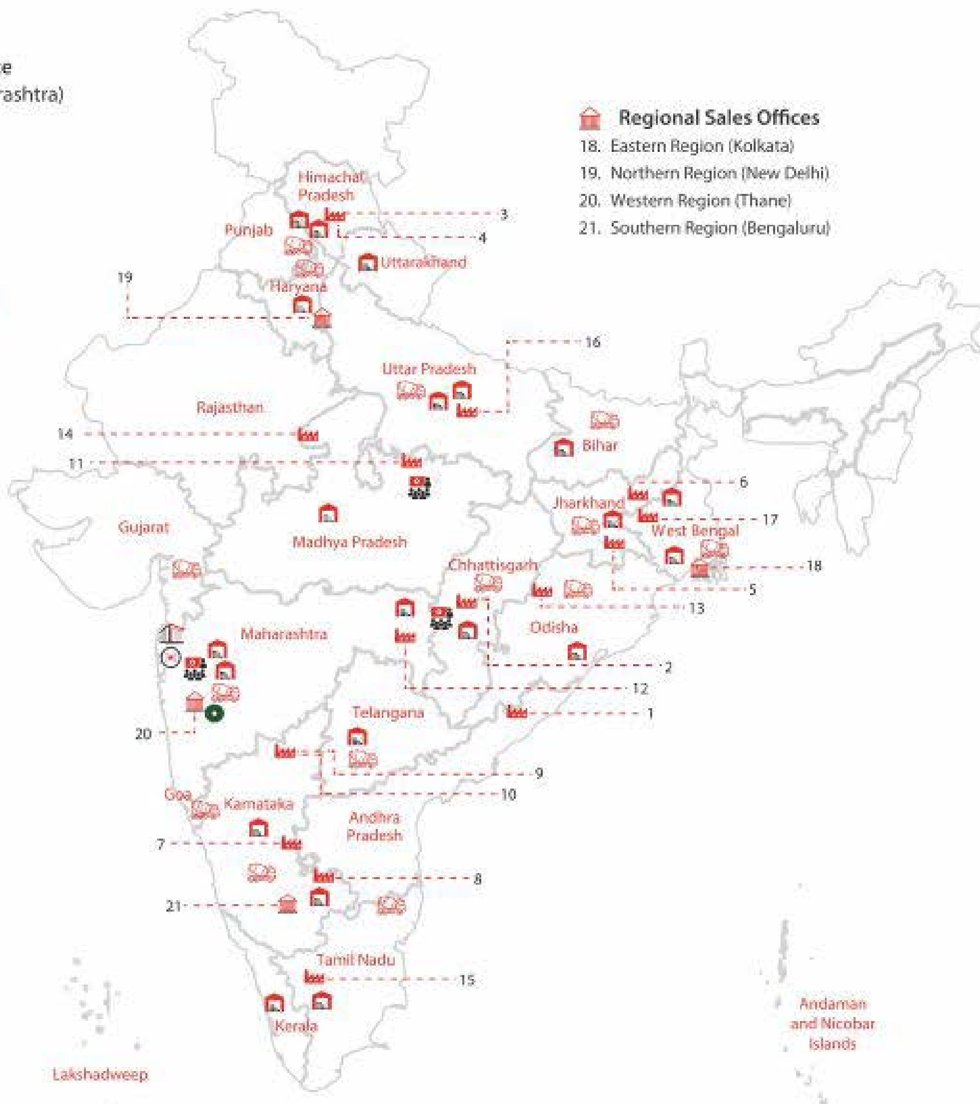
Rajasthan
14. Lakheri

Tamil Nadu
15. Madukkarai

Uttar Pradesh
16. Tikaria

West Bengal
17. Damodhar

Regional Sales Offices
18. Eastern Region (Kolkata)
19. Northern Region (New Delhi)
20. Western Region (Thane)
21. Southern Region (Bengaluru)



TECHPORT, Thane, Maharashtra

Geocycle India, Thane, Maharashtra

Training Centres
ACC ACL Leadership Academy, Thane
ACC Cement Technology Institute, Jamul
Sumant Moolgaokar Technical Institute, Kymore

Ready Mix Concrete (RMX) Plants

Sales Offices

This map is of 31st December 2018. It is illustrative and not drawn to scale.

REGISTERED OFFICE
Cement House 121, Maharshi Karve Road, Mumbai 400 020

www.acclimited.com

facebook.com/ACCInd

in.linkedin.com/company/acc-limited

youtube.com/user/ACCCementOfficial