1. Corporate Information

Ambuja Cements Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India and its GDRs are listed under the EURO MTF Platform of Luxembourg Stock Exchange. The registered office of the Company is located at Ambujanagar, Taluka Kodinar, Dist. Gir Somnath, Gujarat.

The Company's principal activity is to manufacture and market cement and cement related products.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on 20th February 2020

The financial statements have been prepared on a historical cost basis, except for the following:

A. Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments).

B. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

C. Employee defined benefit plans, recognised at the net total of the fair value of plan assets and the present value of the defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of their acquisition

The accounting policies are applied consistently to all the periods presented in the financial statements. Financial statements are presented in ₹ which is the functional currency of the Company and all values are rounded to the nearest crore as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

3. Significant accounting policies

A. Property, plant and equipment

I. Property, plant and equipment are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less impairment losses. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at transition date (1st January 2016) measured as per the previous GAAP. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

III. Property, plant and equipment not ready for their intended use as on the balance sheet date are disclosed as "Capital work-in-progress". Such items are classified to the appropriate category of property, plant and equipment when completed and ready for their intended use. Advances given towards acquisition / construction of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advances under "Other non-current assets".

IV. An item of property, plant and equipment and any significant part thereof is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in "other income / (expenses)" when the asset is derecognised.

B. Depreciation on property, plant and equipment

I. Depreciation is provided as per the useful life of assets which are determined based on technical parameters / assessment. Depreciation is calculated using "Written down value method" for assets related to Captive Power Plant and using "Straight line method" for other assets. Estimated useful lives of the assets are as follows:

Assets	Useful Life
Land (freehold)	No depreciation except on land with mineral reserves. Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves
Leasehold land	Amortised over the period of lease
Buildings, roads and water works	30 – 60 years
Plant and equipment	10-25 years
Assets related to Captive Power Plant	40 years
Railway sidings and locomotives	15 years
Furniture, office equipment and tools	3-10 years
Vehicles	8- 10 years
Ships	25 years

The useful life as estimated above is also in line with the prescribed useful life estimates as specified under Schedule II to the Act.

II. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed during each financial year and adjusted prospectively, if appropriate.

III. The Company identifies and determines cost of each component / part of the asset separately, if the component / part have a cost, which is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining asset.

IV. Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition, or installation, or construction, when the asset is ready for intended use.

V. Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

VI. Capitalised spares are depreciated over their own estimated useful life or the estimated useful life of the parent asset whichever is lower.

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

VIII. Property, plant and equipment, constructed by the Company, but ownership of which vests with the Government / Local authorities:

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

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

C. Intangible assets

I. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. For this purpose, cost includes deemed cost which represents the carrying value of intangible assets recognised as at transition date (1st January 2016) measured as per the previous GAAP. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

II. The useful lives of intangible assets are assessed as either finite or indefinite.

III. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed during each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

IV. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

D. Amortisation of intangible assets

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful life	Amortisation method used
Water drawing rights	Finite (10-30 years)	Amortised on a straight-line basis over the useful life
Computer software	Finite (Up to 5 years)	Amortised on a straight-line basis over the useful life
Mining Rights	Finite (0-90 years)	Over the period of the respective mining agreement

E. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the Company estimates the recoverable amount for the smallest cash generating unit to which the non-financial asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. A previously recognised impairment loss, if any, is increased or reversed depending on the changes in circumstances, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

F. Inventories

Inventories are valued after providing for obsolescence, as follows:

I. Raw materials, stores and spare parts, fuel and packing material:

Lower of cost and net realisable value. Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and taxes for which credit is not available. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a moving weighted average basis.

II. Work-in-progress, finished goods and stock in trade:

Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs. Cost of Stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a monthly moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

G. Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred, liabilities incurred to the former owner of the acquiree and the equity interests issued in exchange of control of the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis indicated below:

I. Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Tax" and Ind AS 19 "Employee Benefits" respectively.

II. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.

III. Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and fair value of any previously held interest in acquiree, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business combination of entities under common control

Business combinations involving entities that are controlled by the company or ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, are accounted for using the pooling of interests method as follows:

I. The assets and liabilities of the combining entities are reflected at their carrying amounts.

II. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

III. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, however, where the business combination had occurred after that date, the prior period information is restated only from that date.

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

V. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

H. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (also see note "G" in accounting policy) less accumulated impairment losses, if any.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. The recoverable amount is the higher of the assets fair value less cost of disposal and value in use. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

I. Investment in subsidiaries, associates and joint arrangements

I. Subsidiaries

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any.

II. Associates

Associates are all entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted at cost less impairment, if any.

III. Joint Arrangements

Interests in joint arrangements are interests over which the Company exercises joint control and are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

a. Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. If the interest is classified as a joint operation, the Company recognises its share of the assets, liabilities, revenues and expenses in the joint operation in accordance with the relevant Ind AS.

When the Company transacts with a joint operation in which the Company is a Joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the company's financial statements only to the extent of other parties' interests in the joint operation.

When the Company transacts with a joint operation in which the Company is a joint operator (such as a purchase of assets) the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

b. Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures are accounted at cost less impairment, if any.

J. Fair value measurement

The Company measures some of its financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

I. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

II. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

III. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

K. **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognised immediately in the statement of profit and loss.

I. **Financial assets**

a. **The Company's financial assets comprise:**

i. Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, incentive receivable from Government and other current receivables.

ii. Non-current financial assets mainly consist of financial investments in equity, bond and fixed deposits, non-current receivables from related party and employees, incentive receivable from Government and non-current deposits.

b. **Initial recognition and measurement of financial assets**

The Company recognises a financial asset when it becomes party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c. **Subsequent measurement of financial assets**

For purposes of subsequent measurement, financial assets are classified in the following categories:

i. **Debt instruments at amortised cost**

A debt instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as financial investments – bonds and fixed deposits, non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognised in the statement of profit and loss.

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. **Debt instruments at fair value through other comprehensive income (FVTOCI)**

A debt instrument is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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

Debt instruments

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for classification as at amortised cost or as fair value through other comprehensive income (FVTOCI), is classified as FVTPL.

Debt instruments that meet the FVTOCI criteria, may be designated as at FVTPL as at initial recognition if such designation reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement are recognised in the statement of profit and loss.

This category comprises investments in liquid mutual funds and derivatives.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the statement of profit and loss.

The Company has designated its investments in equity instruments as FVTPL category..

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

For all investments in equity instruments other than held for trading, at initial recognition, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

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

The Company has not designated investments in any equity instruments as FVTOCI.

d. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

e. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets which are measured at amortised cost.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 18, if they do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss.

For financial assets measured as at amortised cost, ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

II. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

a. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

b. **Financial liabilities**

i. **The Company's financial liabilities comprise:**

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

ii. **Initial recognition and measurement**

The Company recognises a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables) as appropriate.

iii. **Subsequent measurement of financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of cost of an asset is included in the 'Finance costs' line item.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. **Subsequent measurement of financial liabilities at fair value through profit or loss (FVTPL)**

The Company uses foreign exchange forward contracts as derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative financial instruments such as foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

v. **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III. **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

L. **Provisions and contingencies**

I. **Provisions**

A provision is recognised for a present obligation (legal or constructive) as a result of past events if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made. The amounts recognised as provisions are determined based on best estimate of the amount required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines reclamation expenses

The Company provides for the expenses to reinstate the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year.

Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

II. Contingent liability

A contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

III. Contingent asset

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised

M. Foreign exchange gains and losses

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

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

Investments in equity capital of overseas companies registered outside India are carried in the balance sheet at the rates at which transactions have been executed.

N. Revenue recognition

Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods or services.

I. Sale of goods

Revenue from the sale of the Company core product Cement is recongnised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and reward of products sold are transferred according to the specific delivery term that have been agreed with the customer.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed to with customers concerned, which is consistent with the market practice.

Contract balances

Trade Receivables

A trade receivables is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a Company right to consideration that is conditional on something other than the passage of time. Currently there are no contract assets.

Contract Liabilities

Contract liabilities which is a Company obligation to transfer goods or services to a customer which the entity has already received consideration, relate mainly to advance payment from customers which are disclosed in Note no. 35. Contract liabilities are recognised as revenue when the company performs under the contract.

II. Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the services is performed and there are no unfulfilled obligations.

III. Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Dividends

Dividend income is recognised when right to receive is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

O. Retirement and other employee benefits

I. Defined contribution plan

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plans and the same are charged to the statement of profit and loss for the year in which the employee renders the related service.

II. Defined benefit plan

The Company's gratuity fund scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the balance sheet date.

Employee benefit, in the form of contribution to provident fund managed by a trust set up by the Company, is charged to statement of profit and loss for the year in which the employee renders the related service. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the statement of profit and loss based on actuarial valuation.

Past service costs are recognised in the statement of profit and loss on the earlier of:

a. The date of the plan amendment or curtailment, and

b. The date that the Company recognises related restructuring costs

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

b. Net interest expense or income

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (if any), and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

III. Short term employee benefits

a. Short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Accumulated Compensated absences, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are treated as short term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

IV. Other long-term employee benefits

Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

Long service awards and accumulated compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are treated as other long term employee benefits for measurement purposes.

V. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

a. when the Company can no longer withdraw the offer of those benefits; and

b. When the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

VI. Presentation and disclosure

For the purpose of presentation of defined benefit plans, the allocation between the short term and long term provisions has been made as determined by an actuary. Obligations under other long-term benefits are classified as short-term provision, if the Company does not have an unconditional right to defer the settlement of the obligation beyond 12 months from the reporting date. The Company presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

P. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

I. The appropriate level of management is committed to a plan to sell the asset,

II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),

III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the statement of profit and loss in “Other income”.

Q. Borrowing Cost

Borrowing cost directly attributable to acquisition and construction of assets that necessarily take substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

R. Taxation

Tax expense comprises current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

I. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

II. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

a. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised, except:

a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

III. Minimum alternate tax (MAT)

Deferred tax assets include MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credits can be utilized. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

S. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

I. Company as a lessee

a. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

b. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability (if any) to the lessor is included in the balance sheet as a finance lease obligation.

II. Company as a lessor

a. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

b. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Company in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

T. Segment reporting

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The board of directors of the company has appointed executive committee (ExCo) as CODM. The ExCo assesses the financial performance and position of the Company and makes strategic decisions.

U. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, demand deposits from banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are generally held for a period of three months or less from the date of acquisition. These short-term highly liquid instruments are open-ended debt funds that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

V. Government grants and subsidies

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

II. Where the government grants / subsidies relate to revenue, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.

III. Where the grant or subsidy relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

IV. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

V. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

W. Earnings per share

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

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares..

X. Classification of current / non-current assets and liabilities

All assets and liabilities are presented as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements". Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Y. Significant estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period. Revisions in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

I. Classification of legal matters and tax litigation

The litigations and claims to which the Company is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

II. Defined benefit obligations

The cost of defined benefit gratuity plans, post-retirement medical benefit and death and disability benefit, is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

III. Useful life of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the statement of profit and loss. The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Z. New Accounting Pronouncements – Adoption of Ind AS 115 "Revenue from Contracts with the Customers" (Changes in Accounting Policy)

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 replaces AS 18 "Revenue".

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Effective 1st January 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with the Customers" using the full retrospective approach.

The effect of adopting Ind AS 115 as at 31st December 2018 is as follows;

'Advances received from customers', as at 31st December 2018 has been classified as 'Contract Liabilities'.

Further, the adoption of Ind AS 115 did not have any significant impact on overall financial statement of the Company.

Note 4 - Property, plant and equipment

(Refer Note 3 (A) and 3 (B) for accounting policy on property, plant and equipment)

₹ in crore

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (e) below)	
	As at 31st December 2018	Additions	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year (Refer Note (f) below)	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2019	As at 31st December 2018
Freehold non-mining land	372.63	3.62	-	376.25	-	-	-	-	376.25	372.63
Freehold mining land	758.32	13.41	-	771.73	30.77	22.89	-	53.66	718.07	727.55
Leasehold land	58.39	175.20	-	233.59	1.97	2.25	-	4.22	229.37	56.42
Buildings, roads and water works (Refer Note (a) below)	1,486.43	71.47	0.34	1,557.56	248.29	83.15	0.09	331.35	1,226.21	1,238.14
Plant and equipment (owned) (Refer Note (b) below)	4,208.66	326.16	30.10	4,504.72	1,295.20	388.49	16.37	1,667.32	2,837.40	2,913.46
Furniture and fixtures	23.13	2.88	1.54	24.47	10.39	2.74	1.37	11.76	12.71	12.74
Vehicles	99.04	24.63	4.30	119.37	28.85	16.75	2.59	43.01	76.36	70.19
Office equipment	62.64	10.07	2.29	70.42	39.10	11.90	2.07	48.93	21.49	23.54
Marine structures (Refer Note (c) below)	24.37	-	-	24.37	11.25	3.06	-	14.31	10.06	13.12
Railway sidings and locomotives (Refer Note (d) below)	47.01	1.58	-	48.59	15.50	3.65	-	19.15	29.44	31.51
Ships	126.80	-	0.26	126.54	22.91	7.42	0.05	30.28	96.26	103.89
Total	7,267.42	629.02	38.83	7,857.61	1,704.23	542.30	22.54	2,223.99	5,633.62	5,563.19

Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value (Refer Note (e) below)	
	As at 31st December 2017	Additions	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year (Refer Note (f) below)	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Freehold non-mining land	369.51	3.12	-	372.63	-	-	-	-	372.63	369.51
Freehold mining land	569.37	188.95	-	758.32	17.19	13.59	0.01	30.77	727.55	552.18
Leasehold land	51.78	6.61	-	58.39	1.37	0.61	0.01	1.97	56.42	50.41
Buildings, roads and water works (Refer Note (a) below)	1,461.18	26.79	1.54	1,486.43	169.67	78.84	0.22	248.29	1,238.14	1,291.51
Plant and equipment (owned) (Refer Note (b) below)	4,059.06	179.11	29.51	4,208.66	901.17	409.63	15.60	1,295.20	2,913.46	3,157.89
Furniture and fixtures	21.26	1.90	0.03	23.13	7.25	3.16	0.02	10.39	12.74	14.01
Vehicles	86.08	19.76	6.80	99.04	19.71	12.96	3.82	28.85	70.19	66.37
Office equipment	56.07	8.36	1.79	62.64	27.70	13.12	1.72	39.10	23.54	28.37
Marine structures (Refer Note (c) below)	24.39	-	0.02	24.37	7.65	3.60	-	11.25	13.12	16.74
Railway sidings and locomotives (Refer Note (d) below)	47.00	0.01	-	47.01	11.92	3.58	-	15.50	31.51	35.08
Ships	126.64	0.20	0.04	126.80	15.26	7.66	0.01	22.91	103.89	111.38
Total	6,872.34	434.81	39.73	7,267.42	1,178.89	546.75	21.41	1,704.23	5,563.19	5,693.45

Notes to Financial Statements

Includes:

a) i) Premises in co-operative societies, on ownership basis of ₹ 84.50 crore (31st December 2018 - ₹ 84.74 crore) and ₹ 6.31 crore (31st December 2018 - ₹ 4.85 crore) being accumulated depreciation thereon.

ii) ₹ 19.92 crore (31st December 2018 -₹ 19.92 crore) being cost of roads constructed by the Company, the ownership of which vests with government/local authorities and ₹ 16.27 crore (31st December 2018 - ₹ 12.98 crore) being accumulated depreciation thereon.

b) ₹ 73.54 crore (31st December 2018 - ₹ 69.81 crore) being cost of power lines incurred by the Company, the ownership of which vests with state electricity boards and ₹ 8.88 crore (31st December 2018 - ₹ 6.65 crore) being accumulated depreciation thereon.

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

d) ₹ 11.75 crore (31st December 2018 - ₹ 11.75 crore) being cost of railway sidings incurred by the Company, the ownership of which vests with railway authorities and ₹ 4.96 crore (31st December 2018 - ₹ 4.02 crore) being accumulated depreciation thereon.

e) As per the website of the Ministry of Corporate affairs, certain charges aggregating ₹ 23.42 crore (31st December 2018 - ₹ 38.28 crore) on properties of the Company are pending for satisfaction due to some procedural issues, although related loan amounts have already been paid in full.

f) ₹ 1.25 crore (31st December 2018 - ₹ 0.27 crore) capitalised during construction for projects (Refer Note 7).

g) The title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for 12 cases (31st December 2018 - 102 cases) of freehold land amounting to net block of ₹ 1.30 crore (31st December 2018 - ₹ 2.46 crore) for which title deeds are in the name of the erstwhile Companies that merged with the Company.

h) Capital work in progress as at 31st December 2019 is ₹ 1,108.70 crore (31st December 2018 - ₹ 610.02 crore). Refer the Note 7 for the amount of expenditure recognised in the carrying amount of an item of Property, Plant and Equipment / Capital work in progress (CWIP) in the course of its construction.

i) For contractual commitment with respect to property, plant and equipment Refer Note 50.

Note 5 - Goodwill

(Refer Note 3 (H) for accounting policy on goodwill)

₹ in crore

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 31st December 2018	Additions	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2018	Charge for the year	Deductions/ Transfers	As at 31st December 2019	As at 31st December 2019	As at 31st December 2018
Goodwill (Refer Note (a) below)	**235.63**	**-**	**-**	**235.63**	**235.63**	**-**	**-**	**235.63**	**-**	**-**
Total	**235.63**	**-**	**-**	**235.63**	**235.63**	**-**	**-**	**235.63**	**-**	**-**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 31st December 2017	Additions	Deductions / Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Goodwill (Refer Note (a) below)	235.63	-	-	235.63	235.63	-	-	235.63	-	-
Total	235.63	-	-	235.63	235.63	-	-	235.63	-	-

Note:

a) The Company has adopted Ind AS w.e.f. 1st January 2017. In previous GAAP the Company was amortising goodwill. Accumulated amortisation is related to previous GAAP.

Notes to Financial Statements

Note 6 - Other intangible assets

(Refer Note 3(C) and 3(D) for accounting policy on intangible Assets)

₹ in crore

Particulars	**Gross Carrying Value**				**Accumulated Amortisation**				**Net Carrying Value**	
	As at 31st December 2018	**Additions**	**Deductions / Transfers**	**As at 31st December 2019**	**As at 31st December 2018**	**Charge for the year**	**Deductions/ Transfers**	**As at 31st December 2019**	**As at 31st December 2019**	**As at 31st December 2018**
Mining rights	**104.03**	**81.20**	**-**	**185.23**	**4.16**	**2.69**	**-**	**6.85**	**178.38**	**99.87**
Water drawing rights	**0.31**	**-**	**-**	**0.31**	**0.06**	**0.02**	**-**	**0.08**	**0.23**	**0.25**
Computer software	**0.34**	**-**	**-**	**0.34**	**0.05**	**0.07**	**-**	**0.12**	**0.22**	**0.29**
Total	**104.68**	**81.20**	**-**	**185.88**	**4.27**	**2.78**	**-**	**7.05**	**178.83**	**100.41**

Particulars	Gross Carrying Value				Accumulated Amortisation				Net Carrying Value	
	As at 31st December 2017	Additions	Deductions / Transfers	As at 31st December 2018	As at 31st December 2017	Charge for the year	Deductions/ Transfers	As at 31st December 2018	As at 31st December 2018	As at 31st December 2017
Mining rights (Refer Note (a) below)	30.65	73.38	-	104.03	2.62	1.54	-	4.16	99.87	28.03
Water drawing rights	0.31	-	-	0.31	0.04	0.02	-	0.06	0.25	0.27
Computer software	0.24	0.10	-	0.34	-	0.05	-	0.05	0.29	0.24
Total	31.20	73.48	-	104.68	2.66	1.61	-	4.27	100.41	28.54

Note:

a) During the previous year, the Company has commenced commercial production by way of open cast mining at its coal block situated at Raigarh district in the state of Chhattisgarh, acquired under e-auction.

Note 7 - Capitalisation of Expenditure

The Company has capitalised following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised.

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Balance at the beginning of the year included in capital work-in-progress	28.16	17.76
Add : Expenditure during construction for projects		
Employee benefits expenses (Refer Note (a) below)	14.05	11.72
Depreciation and amortisation expense (Refer Note 4 (f))	1.25	0.27
Other expenses (Refer Note (b) below)	16.34	21.20
	59.80	50.95
Less : Capitalised during the year	-	(22.79)
Balance at the end of the year included in capital work-in-progress	59.80	28.16

Notes:

a) Costs of employee benefits (as defined in Ind AS 19 "Employee Benefits") of project associated departments are arising directly from the construction or acquisition of the item of property, plant and equipment.

b) Other expense are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Note 8 - Investments in subsidiaries and joint venture

(Refer Note 3 (I) for accounting policy on Investment in subsidiaries, associates and joint arrangements, Measured at cost)

Particulars	Face value (in ₹)	As at 31.12.2019		As at 31.12.2018	
		No of shares	₹ in crore	No of shares	₹ in crore
A. Investment in subsidiaries					
Quoted, in fully paid equity shares					
ACC Limited	10	93,984,120	11,737.80	93,984,120	11,737.80
Unquoted, in fully paid equity shares					
M.G.T. Cements Private Limited	10	750,000	3.05	750,000	3.05
Chemical Limes Mundwa Private Limited	10	5,140,000	6.47	5,140,000	6.47
OneIndia BSC Private Limited	10	2,501,000	2.50	2,501,000	2.50
Dang Cement Industries Private Limited (foreign subsidiary, face value in Nepalee Rupee) (Refer Note (b) below)	100	-	-	2,029,135	24.75
Dirk India Private Limited	10	2,075,383	23.03	2,075,383	23.03
			35.05		59.80
B. Investment in joint venture					
Unquoted, In fully paid equity shares					
Counto Microfine Products Private Limited	10	8,319,722	16.16	8,319,722	16.16
Total			11,789.01		11,813.76

Notes:

a) Book and Market value

Particulars	Book value as at		Market value as at	
	31.12.2019 ₹in crore	31.12.2018 ₹in crore	31.12.2019 ₹in crore	31.12.2018 ₹in crore
Aggregate amount of quoted investments	11,737.80	11,737.80	13,577.42	14,142.73
Aggregate amount of unquoted investments	51.21	75.96	-	-
Total	11,789.01	11,813.76	13,577.42	14,142.73

b) The Company has entered into share purchase agreement for sale of its entire investment in Dang Cement Industries Private Limited, subject to fulfillment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment such conditions, the said investment has been classified as held for sale, (Refer Note 21).

Note 9 - Non-current investments

Particulars	Face value (in ₹)	As at 31.12.2019		As at 31.12.2018	
		No of shares	₹ in crore	No of shares	₹ in crore
A. Investments carried at amortised cost					
Government and trust securities					
Unquoted					
National Savings Certificate ₹ 36,500 (31st December 2018 ₹ 36,500) deposited with government department as security. (Refer Note (c) below)		-	-	-	-
		-	-	-	-
B. Investments carried at fair value through profit and loss (FVTPL)					
Unquoted, In fully paid equity shares					
Gujarat Goldcoin Ceramics Limited (Under liquidation)	10	1,000,000	-	1,000,000	-
Total		-	-	-	-
Notes:					
a) Aggregate amount of unquoted investments.			-		-

b) Refer Note 55 for information about fair value measurement and Note 56 for credit risk and market risk of investments

c) Denotes amount less than 50,000.

Note 10 - Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary companies, joint venture company and joint operation are accounted at cost.

Name of the Company	Principal activities	Country of Incorporation	% of equity interest	
			As at 31.12.2019	As at 31.12.2018
a) Direct Subsidiaries				
M.G.T Cements Private Limited	Cement and cement related products	India	100.00%	100.00%
Chemical Limes Mundwa Private Limited	Cement and cement related products	India	100.00%	100.00%
Dang Cement Industries Private Limited (Refer Note 8 (b))	Cement and cement related products	Nepal	91.63%	91.63%
Dirk India Private Limited (Refer Note 60)	Cement and cement related products	India	100.00%	100.00%
ACC Limited	Cement and cement related products	India	50.05%	50.05%
OneIndia BSC Private Limited	Shared Services	India	75.03%	75.03%
b) Joint Venture				
Counto Microfine Products Private Limited	Cement and cement related products	India	50.00%	50.00%
c) Joint Operation				
Wardha Vaalley Coal Field Private Limited	Cement and cement related products	India	27.27%	27.27%

Note 11 - Non-current loans

(Refer Note 3 (K)(I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Security deposits	**61.47**	59.03
Loans to employees	**1.43**	1.31
	62.90	60.34
Unsecured loans which have significant increase in credit risk		
Loans to related party - Subsidiary (Refer Notes 54 and 59(b))	**37.94**	37.94
Loans to Joint Operation	**0.98**	0.89
	38.92	38.83
Less : allowance for doubtful loans	**38.92**	38.83
	-	-
Total	**62.90**	60.34

Notes:

a) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

b) No loans are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

c) Refer Note 56 (B) for information about credit risk of loans.

Note 12 - Other non-current financial assets

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Incentives receivable under government incentive schemes (Refer Note 61)	**344.09**	166.82
Bank deposits with more than 12 months maturity (Refer Note (a) below)	**25.06**	43.02
Interest accrued on fixed deposits	**3.79**	7.31
Unsecured receivables which have significant increase in credit risk		
Interest receivable from related party - subsidiary (Refer Notes 54 and 59(b))	**10.60**	10.60
Less : allowance for doubtful balances	**10.60**	10.60
	-	-
Total	**372.94**	217.15

Notes:

a) These include fixed deposits of ₹ 24.15 crore (31st December 2018 - ₹ 34.15 crore) given as security against bank guarantees and other deposits ₹ 0.91 crore (31st December 2018 - ₹ 8.87 crore) given as security to regulatory authorities.

b) Refer Note 56 (B) for information about credit risk of other financial assets.

Note 13 - Other non-current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Capital advances	**347.51**	389.61
Advances other than capital advances		
Deposit against government dues / liabilities	**167.09**	162.43
Prepayments under leases	**34.24**	35.55
Advances recoverable other than in cash	**42.74**	41.28
Other claim receivable from Government	**228.41**	244.99
	819.99	873.86

Note 13 - Other non-current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered doubtful		
Capital advances	**6.59**	6.64
Advances recoverable other than in cash	**6.74**	6.79
Other claim receivable from Government	**31.84**	31.84
	45.17	45.27
Less : allowance for doubtful receivables	**45.17**	45.27
	-	-
Total	**819.99**	873.86

Notes:

a) No advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 56 (B) for information about credit risk of trade receivables.

Note 14 - Inventories

At lower of cost and net realisable value (Refer Note 3 (F) for accounting policy on inventories)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Raw materials (including in transit - ₹ 5.42 crore; 31st December 2018 - ₹ 0.34 crore)	**55.41**	72.96
Work-in-progress	**274.44**	338.35
Finished goods	**104.38**	108.65
Captive coal	**31.21**	7.27
Stock in trade (in respect of goods acquired for trading)	**1.46**	0.02
Coal and fuel (including in transit - ₹ 24.24 crore; 31st December 2018 - ₹ 73.07 crore)	**245.92**	470.90
Stores and spares (including in transit - ₹ 6.32 crore; 31st December 2018 - ₹ 10.19 crore)	**225.11**	269.08
Packing material (including in transit - ₹ Nil; 31st December 2018 - ₹ 0.15 crore)	**16.14**	10.53
Total	**954.07**	1,277.76

Notes:

a) The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is amounting to ₹ 3.48 crore. In the previous year reversal of write-down of inventories of ₹ 0.03 crore, was consequent to consumption of inventories which were earlier written down.

b) No inventories have been pledged as security for liabilities.

Note 15 - Trade receivables

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Secured, considered good	**168.07**	159.57
Unsecured, considered good	**345.15**	310.69
Unsecured which have significant increase in credit risk	**9.90**	3.82
	523.12	474.08
Less : allowance for doubtful trade receivables	**9.90**	3.82
Total	**513.22**	470.26

Notes:

a) No trade receivables are due by directors or other officers of the company or any of them either severally or jointly with any other person. Further, no trade receivables are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 54 for receivables from related parties.

c) Refer Note 56 (B) for information about credit risk of trade receivables.

Note 16 - Cash and cash equivalents

(Refer Note 3 (U) for accounting policy on cash and cash equivalents)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Balances with banks		
In current accounts	**23.32**	359.74
Deposit with original maturity upto 3 months	**3,585.18**	2,395.16
Cheques on hand (Refer Note (a) below)	**-**	64.85
Cash on hand	**0.05**	0.07
Deposit with other than banks with original maturity of upto 3 months	**250.00**	100.00
Investments in liquid mutual funds measured at FVTPL	**653.74**	230.51
Total	**4,512.29**	3,150.33

Note:

a) Cheques on hand are cleared subsequent to the year end.

Note 17 - Bank balances other than cash and cash equivalents

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Other Bank Balances		
Earmarked balances with banks (Refer Note (a) below)	**23.45**	24.51
Fixed deposit with banks (original maturity more than 3 months but up to 12 months) (Refer Note (b) below)	**163.75**	155.13
Total	**187.20**	179.64

Notes:

a) These balances represent unpaid dividend liabilities of the Company and unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile Ambuja Cements Rajasthan Limited (ACRL), not available for use by the Company.

b) These include fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹ 123.28 crore including interest (31st December 2018 - ₹ 116.39 crore), (Refer Note 48(b)(i)) and other deposits amounting ₹ 40.47 crore (31st December 2018 - ₹ 38.74 crore) given as security against bank guarantees to regulatory authorities and others.

Note 18 - Current loans

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Loans to related parties - subsidiary (Refer Note 54)	**1.29**	1.03
Loans to employees	**3.22**	3.26
Total	**4.51**	4.29

Notes:

a) No loans are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

b) Refer Note 56 (B) for information about credit risk of loans.

Note 19 - Other current financial assets

(Refer Note 3 (K) (I) for accounting policy on financial assets)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Incentives receivable under government incentive schemes (Refer Note 61)	149.00	153.86
Interest accrued on loan to subsidiary (Refer Note 54)	3.17	0.09
Interest accrued on fixed deposits	17.63	19.48
Deposit with banks with original maturity of more than 12 months (Refer Note (a) below)	18.00	5.00
Other receivables	41.07	60.14
	228.87	238.57
Unsecured which have significant increase in credit risk		
Other receivables	5.70	-
Less: Allowance for doubtful other receivable	5.70	-
	-	-
Total	228.87	238.57

Notes:

a) Fixed deposits of ₹ 10.00 crore (31st December 2018 - ₹ 5.00 crore) given as security against bank guarantees and other deposit ₹ 8.00 crore (31st December 2018 - ₹ Nil) given as security to regulatory authorities.

b) Refer Note 56 (B) for information about credit risk of other financial assets.

Note 20 - Other current assets

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Unsecured, considered good		
Advances other than capital advances (Refer Note (a) below)		
Advances	154.36	186.02
Balances with statutory / Government authorities	253.94	216.22
Prepaid expenses	12.41	13.41
Prepayments under leases	1.31	1.31
Others	1.17	2.49
Total	423.19	419.45

Note:

a) No advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no advances are due by firms or private companies in which any director is a partner, a director or a member.

Note 21 - Non-current assets classified as held for sale

(Refer Note 3 (P) for accounting policy on Non-current assets held for sale)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Investments in Dang Cement Industries Private Limited (Refer Note 8(b))	24.75	-
Total	24.75	-

Note 22 - Equity share capital

(Refer Note 3 (K) (II) (a) for accounting policy on equity instruments)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Authorised		
40,000,000,000 (31st December 2018 - 40,000,000,000) Equity shares of ₹ 2 each	**8,000.00**	8,000.00
150,000,000 (31st December 2018 - 150,000,000) Preference shares of ₹ 10 each	**150.00**	150.00
Total	**8,150.00**	8,150.00
Issued		
1,985,971,749 (31st December 2018 - 1,985,971,749) Equity shares of ₹ 2 each fully paid-up	**397.19**	397.19
Total	**397.19**	397.19
Subscribed and paid-up		
1,985,645,229 (31st December 2018 - 1,985,645,229) Equity shares of ₹ 2 each fully paid-up	**397.13**	397.13
Total	**397.13**	397.13

Notes:

a) Reconciliation of equity shares outstanding

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of shares	₹ in crore	No. of shares	₹ in crore
At the beginning of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13
Changes during the year	-	-	-	-
At the end of the year	**1,985,645,229**	**397.13**	1,985,645,229	397.13

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is entitled to one vote per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

c) Equity shares held by holding company / ultimate holding company and / or their subsidiaries

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Holderind Investments Limited, Mauritius, Holding company (a subsidiary of LafargeHolcim Limited, Switzerland, the ultimate holding company)		
1,253,156,361 (31st December 2018 - 1,253,156,361) Equity shares of ₹ 2 each fully paid-up	**250.63**	250.63

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

Particulars	As at 31.12.2019		As at 31.12.2018	
	No. of shares	% holding	No. of shares	% holding
i) Holderind Investments Limited, Mauritius	**1,253,156,361**	**63.11%**	1,253,156,361	63.11%

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

e) Outstanding tradable warrants and right shares

Outstanding tradable warrants and right shares are kept in abeyance exercisable into 186,690 (31st December 2018 - 186,690) and 139,830 (31st December 2018 - 139,830) equity shares of ₹ 2 each fully paid-up respectively.

f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Pursuant to the Scheme of amalgamation of Holcim (India) Private Limited (HIPL) with the Company in August, 2016, 584,417,928 equity shares were allotted as fully paid-up to the equity shareholders of HIPL, without payment being received in cash.

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

Note 23 - Capital Management

a) The Company's objectives when managing capital are to maximise shareholders value through an efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of balance surplus funds on the back of an effective portfolio management of funds within a well defined risk management framework.

b) The management of the Company reviews the capital structure of the Company on regular basis to optimise cost of capital. As part of this review, the Board considers the cost of capital and the risks associated with the movement in the working capital.

c) The Company generally meets its capital requirement through internal accruals. The borrowings as appearing in the Note 26 represents Interest Free Loan from State Government. The Company is not subject to any externally imposed capital requirements.

Particulars	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
Total debt (including current maturities of borrowings) (Refer Notes 26 and 34)	**41.06**	39.68
Less : Cash and cash equivalents (Refer Note 16)	**4,512.29**	3,150.33
Net debt	**(4,471.23)**	(3,110.65)
Total equity (Refer Notes 22 and 25)	**22,205.18**	21,012.53
Net Debt to Equity	**Nil**	Nil

Note 24 - Dividend distribution made and proposed

Particulars	**For the year ended 31st December 2019 ₹ in crore**	For the year ended 31st December 2018 ₹in crore
a) Cash dividends on equity shares declared and paid		
i) Final dividend for the year ended 31st December 2018 ₹ 1.50 per share (31st December 2017 - ₹ 2.00 per share)	**297.85**	397.13
ii) Dividend distribution tax on final dividend	**34.18**	52.65
Total	**332.03**	449.78
b) Dividends on equity shares		
i) Final dividend for the year ended 31st December 2019 ₹ 1.50 per share (31st December 2018 - ₹ 1.50 per share) (Refer Note (a) below)	**297.85**	297.85
ii) Dividend distribution tax on final dividend (Refer Note (b) below)	**-**	34.18
Total	**297.85**	332.03

Notes:

a) Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

b) In Union budget 2020, taxability of dividend has been changed from Corporates to recipient of dividend, therefore no disclosure is made for the dividend proposed for the current year.

Note 25 - Other equity

(Refer Statement of Changes in Equity for detailed movement in other equity balances)

Particulars	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
Reserve and surplus (nature and purpose of each reserve is given in notes below)		
a) Capital reserve	**130.71**	130.71
b) Securities premium	**12,471.07**	12,471.07
c) General reserve	**5,655.83**	5,655.83
d) Capital redemption reserve	**9.93**	9.93
e) Subsidies	**5.02**	5.02
f) Capital contribution from parent	**0.53**	-
g) Retained earnings	**3,534.96**	2,342.84
Total	**21,808.05**	20,615.40

Note 25 - Other equity

Nature and purpose of each reserve :

a) **Capital reserve**

This reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

b) **Securities premium**

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

c) **General reserve**

The Company created general reserve in earlier years pursuant to the provisions of the Companies Act, 1956 wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to general reserve is not mandatory. General reserve is a free reserve available to the Company.

d) **Capital redemption reserve**

Capital redemption reserve was created by transferring from retained earnings. During the year ended 30th June 2005, part of the amount was used for issue of bonus shares. The balance will be utilised in accordance with the provisions of the Companies Act, 2013.

e) **Subsidies**

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

f) **Capital contribution from parent**

Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by parent company "LafargeHolcim Ltd" to the employees of the Group. The share based payment reserve is used to recognise the value of equity settled Share based payments provided to executives and senior management.

g) **Retained earnings**

Retained earnings are the profits that Company has earned till date, less transfers to General Reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans (net of taxes) that will not be reclassified to Profit and Loss. Retained earnings is a free reserve available to the Company.

Note 26 - Non-current borrowings

(Refer Note 3 (K) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Secured		
Interest free loan from State Government (Refer Notes (a) and (b) below)	**35.28**	39.68
Total	**35.28**	39.68

Notes:

a) Interest free loan from State Government granted under State investment promotion scheme has been considered as a government grant and the difference between the fair value and nominal value as on date of receipt of ₹ Nil (previous year - ₹ 8.81 crore) was recognised as an income.

b) Interest free loans from State Government, secured by bank guarantees (partly backed by pledge of bank fixed deposits) and each loan repayable in single installment, starting from February 2020 to November 2025 of varying amounts from ₹ 3.59 crore to ₹ 13.39 crore, out of which current maturity of ₹ 5.78 crore due in February 2020 is disclosed in Note 34.

Note 27 - Other non-current financial liabilities

(Refer Note 3 (K) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Liability for capital expenditure	**0.62**	1.18
Total	**0.62**	1.18

Note 28 - Non-current provisions

(Refer Note 3 (L) (I) and 3 (O) for accounting policy on provisions and retirement and other employee benefits)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
For employee benefits		
Provision for gratuity and other staff benefit schemes (Refer Note 51)	**16.66**	17.19
Others		
Provision for mines reclamation expenses (Refer Note (a) below)	**33.68**	21.34
Total	**50.34**	38.53

Note:

a) Mines reclamation expenses are incurred on an ongoing basis until the closure of mines. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses. Movement of provisions during the year is as under :

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Opening balance	**21.34**	18.62
Add : Provision during the year	**12.89**	3.20
	34.23	21.82
Add: Unwinding of discount	**1.04**	1.12
Less : Utilisation during the year	**1.59**	1.60
Closing Balance	**33.68**	21.34

Note 29 - Deferred tax liabilities (net)

(Refer Note 3 (R) (II) for accounting policy on deferred tax)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Deferred tax liabilities, on account of		
Depreciation and amortisation	**427.01**	626.20
Deferred tax assets, on account of		
Provision for employee benefits	**40.05**	64.78
Provision for slow and non moving spares	**8.73**	10.91
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	**54.22**	55.87
Provision against loan and interest thereon, receivable from a subsidiary	**12.21**	16.96
Others temporary differences	**95.74**	105.52
	210.95	254.04
Deferred tax liabilities (net)	**216.06**	372.16

The major components of deferred tax liabilities / assets on account of temporary differences are as follows:

Particulars	As at 31st December 2018 ₹ in crore	Charge / (Credit) to Statement of Profit and Loss ₹ in crore	Charge / (Credit) to Other Comprehensive Income ₹ in crore	As at 31st December 2019 ₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	626.20	**(199.19)**	**-**	**427.01**
Deferred tax assets, on account of				
Provision for employee benefits	64.78	**(27.31)**	**2.58**	**40.05**
Provision for slow and non moving spares	10.91	**(2.18)**	**-**	**8.73**
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	55.87	**(1.65)**	**-**	**54.22**
Provision against loan and interest thereon, receivable from a subsidiary	16.96	**(4.75)**	**-**	**12.21**
Others temporary differences	105.52	**(9.78)**	**-**	**95.74**
	254.04	**(45.67)**	**2.58**	**210.95**
Deferred tax liabilities / (assets) (net)	372.16	**(153.52)**	**(2.58)**	**216.06**

Note 29 - Deferred tax liabilities (net)

(Refer Note 3 (R) (II) for accounting policy on deferred tax)

Particulars	As at 31st December 2017 ₹ in crore	Charge / (Credit) to Statement of Profit and Loss ₹ in crore	Charge / (Credit) to Other Comprehensive Income ₹ in crore	As at 31st December 2018 ₹ in crore
Deferred tax liabilities, on account of				
Depreciation and amortisation	666.45	(40.25)	-	626.20
Deferred tax assets, on account of				
Provision for employee benefits	43.16	22.35	(0.73)	64.78
Provision for slow and non moving spares	10.82	0.09	-	10.91
Expenditure debited in statement of profit and loss but allowed for tax purposes in the following years	59.44	(3.57)	-	55.87
Provision against loan and interest thereon, receivable from a subsidiary	-	16.96	-	16.96
Others temporary differences	94.67	10.85	-	105.52
	208.09	46.68	(0.73)	254.04
Deferred tax liabilities / (assets) (net)	458.36	(86.93)	0.73	372.16

Note:

a) The Company has long term capital losses of ₹ 4.43 crore (31st December 2018 - ₹ 4.43 crore) for which no deferred tax assets have been recognised. These losses will expire between financial years 2019-20 to 2022-23.

Note 30 - Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2019 In %	For the year ended 31st December 2018 ₹ in crore	For the year ended 31st December 2018 In %
Accounting Profit before tax	**1,948.02**		1,506.07	
Tax expenses at statutory income tax rate (Refer Note (a) below)	**544.47**	**27.95%**	524.71	34.84%
Effect of tax exempt dividend income	**(36.78)**	**-1.89%**	(49.26)	-3.27%
Effect of non deductible expenses	**26.88**	**1.38%**	17.39	1.15%
Effect of allowances / tax holidays for tax purpose	**(4.70)**	**-0.24%**	(105.92)	-7.03%
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	**(103.28)**	**-5.30%**	4.45	0.30%
Effect of change in tax rate on Deferred Tax	**(5.40)**	**-0.28%**	-	-
Others	**(1.71)**	**-0.09%**	(0.30)	-0.03%
Tax Expenses at the Effective Income Tax Rate	**419.48**	**21.53%**	391.07	25.96%
Effect of tax adjustments for earlier years (Refer Note 31)	**-**	**-**	(372.01)	-24.70%
Tax expense	**419.48**	**21.53%**	19.06	1.26%
Tax expense reported in the statement of profit or loss	**419.48**	**21.53%**	19.06	1.26%

Notes:

a) Company follows calender year as financial year, therefore applicable statutory income tax rate is weighted average rate. The tax rate used for above reconciliation is the Corporate tax rate payable by Corporate entities in India on taxable profits under Indian tax law.

b) The Government of India has inserted section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective 1st April 2019, subject to certain conditions. The Company has adopted the option of reduced rate and accordingly, opening deferred tax liability as on 1st January 2019, amounting to ₹ 103.28 crore has been reversed during the year ended 31st December 2019.

Note 31 - Tax adjustments for earlier years

The Company was entitled to incentives from Government at its plant located in the states of Himachal Pradesh and Uttarakhand, in respect of Income tax assessment years 2006-07 to 2015-16. The Company contended that the said incentives are in the nature of capital receipts, and hence not liable to income tax. The Income tax department had, initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A). The Company had received one favourable order from the assessing officer and one appellate order from the CIT-A, against which the department filed an appeal in the Income Tax Tribunal (ITAT). Considering unfavourable orders by the Income tax department, the Company, up to 31st December 2017, had classified the risk for these matters as probable and provided for the same.

During the previous year, the CIT-A decided the matter in favour of the Company for two more years, against which the department filed an appeal in the ITAT.

In view of the series of repeated favourable orders by the Income tax department in the previous year, coupled with the fact, that ACC Limited, a subsidiary company also received favourable orders, the Company again reviewed the matter and, after considering the legal merits of the Company's claim, including inter-alia, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT (A) during the previous year, as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable.

Accordingly, the Company reversed during the previous year:

a) the provisions of ₹ 372.01 crore resulting in reduction in current tax liabilities by ₹ 245.64 crore and an increase in non-current tax assets by ₹ 126.37 crore.

b) Interest provision related to above ₹ 35.88 crore.

Further, during the current year, on receipt of Orders Giving Effect (OGEs) to the CIT-A orders for certain assessment years, the Company had recognised interest income on income tax refund and reversal of provision for interest on income tax, aggregating ₹ 132.58 crore. However, considering the uncertainty of its ultimate realisability, the Company has also made a provision of ₹ 81.00 crore, resulting in recognition of net income of ₹ 51.50 crore in other income during the year.

Pending final legal closure of the matter, the said amounts have been reported under contingent liabilities in the financial statements.

Note 32 - Other non-current liabilities

Particulars	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
Rebate to customers	**35.83**	7.17
Total	**35.83**	7.17

Note 33 - Total outstanding dues of micro and small enterprises

Particulars	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
Details of due to Micro and Small Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers (Refer Note (a) below).		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	**1.08**	0.51
Interest	**0.01**	0.01
	1.09	0.52
b) The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	**26.26**	28.76
Interest	**0.31**	0.26
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	**-**	0.03
d) The amount of interest accrued and remaining unpaid at the end of the year	**0.01**	0.04
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

Note:

(a) Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note 34 - Other current financial liabilities

(Refer Note 3 (K) (II) (b) for accounting policy on financial liabilities)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Financial Liabilities at amortised cost		
Security deposits	**506.41**	404.67
Liability for capital expenditure	**188.57**	140.24
Unpaid dividends (Refer Note (a) below)	**20.95**	22.01
Unclaimed sale proceeds of the odd lot shares belonging to the shareholders of erstwhile ACRL	**2.50**	2.50
Current maturities of borrowings	**5.78**	-
Others (includes interest on security deposits)	**57.74**	46.66
Financial Liabilities at fair value		
Foreign currency forward contract	**0.09**	0.09
Total	**782.04**	616.17

Note:

(a) Amount to be transferred to the Investor education and protection fund shall be determined on the respective due dates and does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund on the basis of the information available with the Company.

Note 35 - Other current liabilities

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Contract liability (Refer Note (a) below)		
Advance received from customers	**78.98**	86.80
Other liability		
Statutory dues payable	**512.57**	432.88
Rebates to customers	**416.21**	218.60
Other payables (includes interest on income tax)	**730.05**	555.37
Total	**1,737.81**	1,293.65

Note:

(a) The Company has adopted Ind AS 115 full retrospective approach. Advance from customer has been included as part of contract liabilities. The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended 31st December 2019.

Note 36 - Current provisions

(Refer Note 3 (O) for accounting policy on retirement and other employee benefits)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Provision for compensated absences	**85.37**	91.05
Total	**85.37**	91.05

Note 37 - Revenue from operations

(Refer Note 3 (N) (I) for accounting policy on revenue recognition)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Revenue from contracts with customers		
Sale of Manufactured products	**11,235.47**	10,968.37
Sale of Traded products	**117.29**	8.63
Sale of products and services	**11,352.76**	10,977.00
Other operating revenues		
Provisions no longer required written back	**3.80**	7.56
Sale of scrap	**43.86**	42.10
Incentives and subsidies (Refer Note 38)	**207.78**	234.22
Miscellaneous income (Refer Note 38) (includes insurance claims and other services etc.)	**59.68**	95.88
	315.12	379.76
Total	**11,667.88**	11,356.76

Notes:

a) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Revenue as per contract price	**12,821.09**	11,895.24
Less: Discounts and incentives	**1,468.33**	918.24
Revenue as per statement of profit and loss	**11,352.76**	10,977.00

b) The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 to 60 days. There is no significant financing component in any transaction with the customers.

c) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

d) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

e) Disaggregation of revenue:

Refer Note 58 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

Note 38 - Government grants

(Refer Note 3 (V) for accounting policy on government grants and subsidies)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Recognised in statement of profit and loss		
Incentives and subsidies (Refer Note (a) below)	**207.78**	234.22
Discounting income on interest free loan from State Government included in miscellaneous income of Note 37	**-**	8.81
Total	**207.78**	243.03

Note:

(a) Accrued for the GST refund claim, under various incentive schemes of State and Central Government. There are no unfulfilled conditions or contingencies attached to these grants.

Note 39 - Other income

(Refer Note 3 (N) (II) and (III) for accounting policy on interest income and dividends)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Interest income on		
Bank deposits - effective interest rate method	203.10	146.38
Income tax refund (Refer Note 31)	24.01	-
Defined benefit obligation (net) (Refer Note 51)	0.15	-
Others	7.95	6.89
	235.21	153.27
Dividend income from non-current investment		
From subsidiary	131.58	140.98
From joint venture	1.66	-
	133.24	140.98
Other non operating income		
Gain on sale of current financial assets measured at FVTPL	27.84	44.18
Net gain on fair valuation of liquid mutual fund measured at FVTPL (Refer Note (a) below)	2.74	0.51
Gain on buy back of non-current investments	-	0.16
Interest on income tax written back and others (Refer Note 31)	27.49	35.88
Total	426.52	374.98

Note:

(a) These instruments are at fair value through profit or loss in accordance with Ind AS 109.

Note 40 - Cost of materials consumed

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Inventories at the beginning of the year	72.96	57.11
Add : Purchases during the year	976.87	1,028.93
	1,049.83	1,086.04
Less : Inventories at the end of the year	55.41	72.96
Cost of materials consumed (Refer Note (a) below)	994.42	1,013.08

Notes:

(a) **Break-up of cost of materials consumed**

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Fly ash	461.41	485.83
Gypsum	224.73	220.90
Others (Refer Note (b) below)	308.28	306.35
Total	994.42	1,013.08

(b) Includes no item which in value individually accounts for 10% or more of the total value of materials consumed.

Note 41 (a) - Purchases of stock-in-trade

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Cement	53.93	5.96
Allied product	34.34	-
Total	88.27	5.96

Note 41 (b) - Change in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Inventories at the end of the year		
Work-in-progress	**274.44**	338.35
Finished goods	**104.38**	108.65
Stock in trade	**1.46**	0.02
Captive coal	**31.21**	7.27
	411.49	454.29
Inventories at the beginning of the year		
Work-in-progress	**338.35**	303.53
Finished goods	**108.65**	77.89
Stock in trade	**0.02**	-
Captive coal	**7.27**	-
	454.29	381.42
(Increase) / decrease in inventories	**42.80**	(72.87)

Note 42 - Employee benefits expense

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Salaries and wages	**586.13**	575.20
Contribution to provident and other funds	**37.38**	52.36
Employee stock option expenses (Refer Note 49)	**0.53**	-
Staff welfare expenses	**48.59**	52.01
Total	**672.63**	679.57

Note 43 - Finance costs

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Interest on		
Income tax (net of interest income on refund - ₹ 81.00 crore; previous year - ₹ Nil)	**21.06**	23.20
Defined benefit obligation (net) (Refer Note 51)	**-**	0.44
Security deposits	**25.25**	26.03
Others	**34.78**	28.72
Unwinding of financial liabilities	**1.39**	2.82
Unwinding of mines reclamation provision (Refer Note 28)	**1.04**	1.12
Total	**83.52**	82.33

Note 44 - Depreciation and amortisation expense

(Refer Note 3 (B) and 3 (D) for accounting policy on depreciation and amortisation)

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Depreciation on property, plant and equipment (Refer Note 4)	**542.30**	546.75
Less : Pre-operative charge during the year (Refer Note 7)	**1.25**	0.27
	541.05	546.48
Amortisation of intangible assets (Refer Note 6)	**2.78**	1.61
Total	**543.83**	548.09

Note 45 - Freight and forwarding expense

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
On finished products	2,402.15	2,531.37
On Internal material transfer	692.05	746.20
Total	3,094.20	3,277.57

Note 46 - Other expenses

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Royalty on minerals	254.93	249.59
Consumption of stores and spare parts	315.17	293.74
Consumption of packing materials	383.86	415.31
Repairs	218.93	197.08
Rent (Refer Note 52)	54.50	46.86
Rates and taxes	78.43	82.87
Insurance	23.52	20.18
Technology and know-how fees	112.64	109.47
Advertisement	85.45	53.17
Donation (Refer Note (a) below)	60.98	52.12
Exchange loss (net)	1.12	6.25
Miscellaneous expenses (Refer Note (b) below)	456.91	490.50
Total	2,046.44	2,017.14

Notes:

a) **Corporate Social Responsibility Expenditure :**

i) The Company has spent ₹ 62.57 crore (Previous year ₹ 53.46 crore) towards corporate social responsibility activities which includes Donation of ₹ 60.98 crores (Previous year ₹ 52.12 crore). It is included in different heads of expenses in the statement of profit and loss.

ii) The amount required to be spent under Section 135 of the Companies Act, 2013, for the year ended 31st December 2019 is ₹ 26.71 crore (previous year ₹ 25.46 crore) i.e 2% of the average net profits for the last three financial years, calculated as per Section 198 of the Companies Act, 2013.

iii) No amount has been spent on construction / acquisition of an asset of the Company and the entire amount has been spent in cash.

b) **Miscellaneous expenses :**

i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

ii) Includes Commission on sales, Information technology services, Traveling expenses, Other third party services, etc.

iii) Includes payment to auditors (excluding taxes) as under :

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
Statutory auditor		
For audit fees (including for quarterly limited reviews and tax financial statements)	2.14	2.33
Fees for other services	0.04	0.11
For reimbursement of expenses	0.06	0.05
	2.24	2.49
Cost auditor		
As auditor for cost audit	0.09	0.09
For reimbursement of expenses	0.03	0.02
	0.12	0.11
Total	2.36	2.60

Note 47 - Earnings per share (EPS)

(Refer Note 3 (W) for accounting policy on earnings per share)

a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

c) Calculation of the basic and diluted EPS :

Particulars		For the year ended 31st December 2019	For the year ended 31st December 2018
i)	Profit attributable to equity shareholders of the Company for basic and diluted EPS (₹ in crore)	**1,528.54**	1,487.01
ii)	Weighted average number of equity shares for basic EPS	**1,985,645,229**	1,985,645,229
	Add : Potential equity shares on exercise of rights and warrants kept in abeyance out of the rights issue in 1992	**315,467**	316,262
iii)	Weighted average number of shares for diluted EPS	**1,985,960,696**	1,985,961,491
iv)	Earnings per equity share (in ₹)		
	Face value of equity per share	**2.00**	2.00
	Basic	**7.70**	7.49
	Diluted	**7.70**	7.49

Note 48 - Contingent Liabilities (to the extent not provided for)

(Refer Note 3 (L) (II) for accounting policy on contingent liability)

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Contingent liabilities and claims against the Company not acknowledged as debts related to various matters (Refer Note (a) below)		
Labour	**10.36**	11.44
Land	**46.27**	23.04
Demand from Competition Commission of India (Refer Note (b) below)	**1,635.46**	1,501.97
Sales tax (Refer Note (c) below)	**274.83**	272.91
Excise, customs and service tax (Refer Note (d) below)	**261.58**	245.58
Stamp duty (Refer Note (e) below)	**305.88**	287.88
Income tax (Refer Note 31)	**465.06**	413.48
Others	**126.31**	154.32
Total	**3,125.75**	2,910.62

Notes:

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

ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

iii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Note 48 - Contingent Liabilities (to the extent not provided for)

(Refer Note 3 (L) (II) for accounting policy on contingent liability)

b) Demand from Competition Commission of India

i) In 2012, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,163.91 crore (31st December 2018 - ₹ 1,163.91 crore) on the Company, concerning alleged contravention of the provisions of the Competition Act, 2002. On Company's appeal, Competition Appellate Tribunal (COMPAT), initially stayed the penalty and by its final order dated 11th December 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter afresh, the CCI had again, by its order dated 31st August 2016, imposed a penalty of ₹ 1,163.91 crore (31st December 2018 - ₹ 1,163.91 crore) on the Company. The Company filed an appeal against the said Order before the COMPAT. The COMPAT, vide its interim order dated 21st November 2016 has stayed the penalty with a condition to deposit 10% of the penalty amount, in the form of fixed deposit (the said condition has been complied with) and levy of interest of 12% p.a., in case the appeal is decided against the appellant. Meanwhile, pursuant to the notification issued by Central Government on 26th May 2017, any appeal, application or proceeding before COMPAT is transferred to National Company Law Appellate Tribunal (NCLAT).

NCLAT, vide its Order dated 25th July 2018, dismissed the Company's appeal and upheld the CCI's order. Against this, the Company appealed to the Hon'ble Supreme Court, which by its order dated 5th October 2018 admitted the appeal and directed to continue the interim order passed by the Tribunal, in the meantime.

ii) In a separate matter, pursuant to a reference filed by the Director, Supplies and Disposals, Government of Haryana, the CCI by its Order dated 19th January 2017 had imposed a penalty of ₹ 29.84 crore (31st December 2018 - ₹ 29.84 crore) on the Company. On Company's appeal, the COMPAT has stayed the operation of CCI's order in the meanwhile. The matter is listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsels, the Company believes it has good grounds on merit for a successful appeal in both the aforesaid matters. Accordingly, no provision is considered necessary and the matter has been disclosed as contingent liability along with interest of ₹ 441.71 crore (31st December 2018 - ₹ 308.22 crore).

c) Sales tax matter includes

A matter relating to 75% exemption from sales tax, granted by Government of Rajasthan. However, the eligibility of exemption in excess of 25% was contested by the State Government in a similar matter of another Company.

In year 2014, pursuant to the unfavourable decision of the Hon'ble Supreme Court in that similar matter, the sales tax department initiated proceedings for recovery of differential sales tax and interest thereon on the ground that the Company had given an undertaking to deposit the differential amount of sales tax, in case decision of the Hon'ble Supreme Court goes against in this matter.

Against the total demand of ₹ 247.97 crore, including interest of ₹ 134.45 crore (31st December 2018 - ₹ 247.97 crore, including interest of ₹ 134.45 crore), the Company deposited ₹ 143.52 crore, including interest of ₹ 30.00 crore (31st December 2018 - ₹ 143.52 crore including interest of ₹ 30.00 crore) towards sales tax under protest and filed a Special Leave Petition in the Hon'ble Supreme Court with one of the grounds that the tax exemption was availed by virtue of the order passed by the Board for Industrial & Financial Reconstruction (BIFR) during the relevant period. On Company's petition, the Hon'ble Supreme Court has granted an interim stay on the balance interest. Based on the advice of external legal counsel, the Company believes that, it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

d) Excise, customs and service tax includes

A matter wherein service tax department issued show cause notices for denial of cenvat credit with regard to service tax paid on outward transportation for sale to customers on F.O.R. basis. The Company availed the credit based on legal provision and various judicial precedence. On the same matter of another cement company, the Hon'ble Supreme Court has allowed service tax credit, however, in another case of the same company, the Hon'ble Supreme Court has decided against the assessee. Considering conflicting decision and Central Board of Excise and Customs (CBEC) circular, based on legal opinion, the Company has treated the same as "possible". Accordingly, ₹ 196.52 crore (31st December 2018 - ₹ 180.28 crore) has been disclosed as contingent liability.

e) Stamp duty includes

The Collector of Stamps, Delhi vide its Order dated 7th August 2014, directed erstwhile Holcim (India) Private Limited (HIPL), (merged with the Company), to pay stamp duty (including penalty) of ₹ 287.88 crore (31st December 2018 - ₹ 287.88 crore) on the merger order passed by Hon'ble High Court of Delhi, approving the merger of erstwhile Ambuja Cement India Private Limited with HIPL. HIPL had filed a writ petition and the Hon'ble High Court of Delhi granted an interim stay. Based on the advice of external legal counsel, the Company believes that it has good grounds for success in writ petition. Accordingly, no provision is considered necessary.

Note 49 - Share Based Payment

Description of plan - LafargeHolcim Performance Share Plan

LafargeHolcim Ltd (Ultimate Holding Company) set up a performance share plan. Performance shares are granted to executives, senior management and other employees for their contribution to the continuing success of the business. These shares will be delivered after five year vesting period following the grant date and are subject to internal and external performance conditions.

6,000 performance share at fair value of ₹ 3,405 per share were granted in 2019. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC). During the year, ₹ 0.53 Crore (Previous year – ₹ Nil) is charged to the statement of Profit and Loss in respect of equity-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the Parent.

Fair value of shares granted is determined based on the estimated achievement of LafargeHolcim Earnings per Share and Return on Invested Capital.

Note 50 - Capital and other commitments

Particulars	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**842.10**	462.65
Total	**842.10**	462.65

Note:

a) For commitments relating to lease arrangements, Refer Note 52

Note 51 - Employee benefits

(Refer Note 3 (O) for accounting policy on retirement and other employee benefits)

a) Defined contribution plans

Amount recognised and included in Note 42 “Contribution to Provident and Other Funds” (including contribution to provident fund trust referred in note (h) below) of statement of profit and loss ₹ 27.32 crore (previous year - ₹ 29.27 crore).

b) Defined benefit plans - as per actuarial valuation

The Company has defined benefit gratuity, post employment medical benefit plans and trust managed provident fund plan as given below :

i) Funded plan includes gratuity benefit to every employee who has completed service of five years or more, at 15 days salary for each completed year of service (on last drawn basic salary) in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance company in the form of qualifying insurance policies.

ii) Other non funded plans includes post employment healthcare to certain employees.

c) 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 plan typically exposes the Company to actuarial risks such as investment risk, interest rate risk, demographic risk, salary inflation risk and longevity risk.

i) Investment risk : As the plan assets include significant investments in quoted debt and equity instruments, the Company is exposed to the risk of impacts arising from fluctuation in interest rates and risks associated with equity market.

ii) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. All other aspects remaining same, if bond yields fall, the defined benefit obligation will tend to increase.

iii) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, medical cost inflation, discount rate and vesting criteria.

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

v) Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Note 51 - Employee benefits

d) Other non funded plans include post employment healthcare benefits

e) Summary of the components of net benefit / expense, recognised in the statement of profit and loss, the funded status and amounts recognised in the balance sheet for the respective defined benefits plans is as under :

	Particulars	2019		2018	
		Funded	Non funded	Funded	non funded
		₹ in crore	₹ in crore	₹ in crore	₹ in crore
I	**Expense recognised in the statement of profit and loss**				
1	Current service cost	**10.38**	**0.61**	10.26	0.45
2	Interest cost	**10.05**	**0.84**	9.89	0.73
3	Past service cost	**-**	**(12.47)**	-	-
4	Interest (income) on plan assets	**(10.20)**	**-**	(10.18)	-
5	Amount recognized in the statement of profit and loss	**10.23**	**(11.02)**	9.97	1.18
II	**Re-measurements recognised in other comprehensive Income (OCI)**				
1	Demographic change	**(0.01)**	**-**	-	-
2	Change in financial assumptions	**2.19**	**-**	(1.79)	(0.44)
3	Experience changes	**(0.48)**	**-**	0.24	(1.63)
4	Return on plan assets (excluding interest income)	**(2.44)**	**-**	0.80	-
5	Amount recognised in OCI	**(0.74)**	**-**	(0.75)	(2.07)
III	**Net asset / (liability) recognised in the balance sheet**				
1	Present value of defined benefit obligation	**137.27**	**-**	140.50	11.17
2	Fair value of plan assets	**128.32**	**-**	135.08	-
3	Funded status [surplus / (deficit)]	**(8.95)**	**-**	(5.42)	(11.17)
4	Net asset / (liability)	**(8.95)**	**-**	(5.42)	(11.17)
IV	**Change in defined benefit obligation during the year**				
1	Present value of defined benefit obligation at the beginning of the year	**140.50**	**11.17**	141.96	12.68
2	Current service cost	**10.38**	**0.61**	10.26	0.45
3	Interest service cost	**10.05**	**0.84**	9.89	0.73
4	Actuarial (gains) / losses recognised in other comprehensive income				
	- Demographic changes	**(0.01)**	**-**	-	-
	- Change in financial assumptions	**2.19**	**-**	(1.79)	(0.44)
	- Experience changes	**(0.48)**	**-**	0.24	(1.63)
5	Benefit payments	**(25.35)**	**(0.15)**	(19.77)	(0.13)
6	Curtailment	**-**	**(12.47)**	-	-
7	Net transfer in on account of business combinations / others	**-**	**-**	(0.29)	-
8	Present value of defined benefit obligation at the end of the year (Refer Note (v) below)	**137.27**	**-**	140.50	11.66

Note 51- Employee benefits

Particulars		2019 Funded ₹ in crore	2019 Non funded ₹ in crore	2018 Funded ₹ in crore	2018 non funded ₹ in crore
V	**Change in fair value of assets during the year**				
1	Plan assets at the beginning of the year	**135.08**	**-**	138.47	-
2	Interest income	**10.20**	**-**	10.18	-
3	Contribution by employer	**5.80**	**-**	7.00	-
4	Actual benefit paid	**(25.21)**	**-**	(19.77)	-
5	Return on plan assets (excluding interest income)	**2.44**	**-**	(0.80)	-
6	Plan assets at the end of the year	**128.32**	**-**	135.08	-
VI	**Weighted average duration of defined benefit obligation**	**10 years**	**NA**	10 years	NA
VII	**Maturity profile of defined benefit obligation**				
1	Within the next 12 months	**13.71**	**-**	14.90	0.14
2	Between 1 and 5 years	**56.34**	**-**	62.78	0.99
3	Between 5 and 10 years	**74.33**	**-**	72.48	3.06
VIII	**Sensitivity analysis for significant assumptions (Refer Note (i) and (ii) below)**				
	Present value of defined benefits obligation at the end of the year (for change in 100 basis points)				
1	For increase in discount rate by 100 basis points	**128.71**	**-**	132.12	9.28
2	For decrease in discount rate by 100 basis points	**146.34**	**-**	149.90	13.63
3	For increase in salary rate by 100 basis points	**146.32**	**NA**	149.85	NA
4	For decrease in salary rate by 100 basis points	**128.65**	**NA**	132.00	NA
5	For increase in medical inflation rate by 100 basis points	**NA**	**-**	NA	13.59
6	For decrease in medical inflation rate by 100 basis points	**NA**	**-**	NA	9.27
IX	**The major categories of plan assets as a percentage of total plan**				
	Qualifying insurance policy with Life Insurance Corporation of India (LIC) (Refer Note (vi) below)	**100%**	**NA**	100%	NA
X	**Expected cash flows**				

Particulars		2019 Funded ₹ in crore	2019 Non funded ₹ in crore	2018 Funded ₹ in crore	2018 Non funded ₹ in crore
1)	Expected employer contribution in the next year	**13.71**	**-**	14.90	0.14
2)	Expected benefit payments				
	Year 1	**13.71**	**-**	14.90	0.14
	Year 2	**15.44**	**-**	14.02	0.17
	Year 3	**14.72**	**-**	16.43	0.21
	Year 4	**12.63**	**-**	15.80	0.27
	Year 5	**13.55**	**-**	16.53	0.34
	Next 5 years	**74.33**	**-**	72.48	3.06
	Total Expected benefit payments	**144.38**	**-**	150.16	4.19

Note 51- Employee benefits

XI Actuarial Assumptions

	Particulars	As at 31.12.2019	As at 31.12.2018
1)	**Financial Assumptions**		
	Discount rate (Refer Note (ii) below)	**6.80%**	7.55%
	Salary escalation (Refer Note (iii) below)	**6.50%**	7.00%
2)	**Demographic Assumptions**		
	Expected average remaining working lives of employees	**10.27**	10.23
	Disability rate	**5% mortality rates**	5% mortality rates
	Expected rate of return on plan assets (Refer Note (v) below)	**6.80%**	7.55%
	Medical premium inflation	**7.00%**	8.00%
	Retirement age	**58 - 60 years**	58 - 60 years
	Mortality pre-retirement	**Indian Assured Lives Mortality (IALM) (2012-14) Ultimate**	Indian Assured Lives Mortality (IALM) (2006-08) Ultimate
	Mortality post-retirement	**LIC (1996-98) Annuitants**	LIC (1996-98) Annuitants
	Turnover rate	**Upto age of 44 years : 5% and above 44 years : 1%**	Upto age of 44 years : 5% and above 44 years : 1%

Notes:

i) Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no changes in market conditions at the reporting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

ii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

iii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

iv) **Basis used to determine expected rate of return on assets**

The Company has considered the current level of returns declared by LIC, i.e. 8.00% to develop the expected long-term return on assets for funded plan of gratuity.

v) During the previous year, the Company has discontinued actuarial valuation for its one “other non-funded” plan and merged another “non-funded plan” into “funded plan”. Accordingly, “present value of defined benefit obligation” of non-funded plan is having a difference of ₹ 0.49 crores for the previous year.

vi) In the absence of detailed information regarding plan assets which is funded with LIC, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

f) Amount recognised as expense in respect of compensated absences is ₹ 10.45 crore (previous year - ₹ 16.23 crore).

g) The Company expects to make contribution of ₹ 13.71 crore (previous year - ₹ 14.90 crore) to the defined benefit plans during the next year.

h) Provident Fund managed by a trust set up by the Company

Provident Fund for certain eligible employees is managed by the Company through a trust “Ambuja Cements Staff Provident Fund Trust.”, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

The minimum interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund for current year and shortfall of ₹ 7.71 crore (previous year - ₹ 0.07 crore) is recognised in the Statement of Profit and Loss. The Company has contributed ₹ 6.43 crore (previous year- ₹ 7.61 crore) towards provident fund liability.

Note 51- Employee benefits

h) Provident Fund managed by a trust - Defined benefit plans as per actuarial valuation

		Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
I)		**Components of expense recognised in the Statement of Profit and Loss**		
	1	Current service cost	**6.92**	4.65
	2	Interest Cost	**8.66**	9.30
	3	Interest Income	**(8.51)**	(9.30)
	4	Total expenses	**7.07**	4.65
II)		**Amount recognised in Balance Sheet**		
	1	Present value of Defined Benefit Obligation	**(153.97)**	(139.87)
	2	Fair value of plan assets	**146.26**	139.27
	3	Funded status {Surplus/(Deficit)}	**(7.71)**	(0.60)
	4	Net asset/(liability) as at end of the year (Refer Note (ii) below)	**(7.71)**	(0.60)
III)		**Present Value of Defined Benefit Obligation**		
	1	Present value of Defined Benefit Obligation at beginning of the year	**139.87**	129.06
	2	Current service cost	**6.92**	4.65
	3	Interest cost	**8.66**	9.30
	4	Benefits paid and transfer out	**(18.04)**	(23.51)
	5	Employee Contributions	**10.49**	7.09
	6	Transfer in / (Out) Net	**1.56**	-
	7	Actuarial (gains) / losses	**4.51**	13.28
	8	Present value of Defined Benefit Obligation at the end of the year	**153.97**	139.87
IV)		**Fair Value of Plan Assets**		
	1	Plan assets at the beginning of the year	**139.27**	128.53
	2	Return on plan assets including interest income	**8.51**	9.30
	3	Contributions by Employer	**6.57**	4.65
	4	Contributions by Employee	**10.49**	7.09
	5	Transfer in / (Out) Net	**1.56**	-
	6	Asset Gain / (Loss)	**(2.10)**	13.21
	7	Actual benefits paid	**(18.05)**	(23.51)
	8	Plan assets at the end of the year	**146.26**	139.27
V)		**Amounts recognised in Other Comprehensive Income at period end**		
	1	Actuarial (Gain) / Loss on Liability	**4.51**	13.28
	2	Actuarial (Gain) / Loss on Plan assets	**2.10**	(13.21)
	3	Total Actuarial (Gain) / Loss included in OCI	**6.61**	0.07
VI)		**Weighted Average duration of Defined Benefit Obligation**	**10 years**	10 years
VII)		**The major categories of plan assets as a percentage of total plan**		
	1	Special deposits scheme	**4.00%**	5.00%
	2	Government Securities	**47.00%**	48.00%
	3	Debentures and Bonds	**47.00%**	44.00%
	4	Mutual Fund	**2.00%**	3.00%
			100.00%	100.00%
VIII)		**The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:**		
	1	Discounting rate	**6.80%**	7.55%
	2	Guaranteed interest rate	**8.65%**	8.55%

Note 51- Employee benefits

Particulars		As at December 31, 2019	As at December 31, 2018
IX)	**Sensitivity analysis for factors mentioned in Actuarial Assumptions (Refer Note (i) below)**		
	1 Discount rate (1% increase)	**153.57**	139.63
	2 Discount rate (1% decrease)	**154.47**	140.15
	3 Interest rate guarantee (1% increase)	**161.12**	145.70
	4 Interest rate guarantee (1% decrease)	**150.73**	139.97

Notes:

i) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

ii) In respect of Provident Fund, only liability and not surplus is recognised in the Balance Sheet.

iii) The Company expects to contribute ₹ 6.00 crore (previous year - ₹ 6.50 crore) to the trust managed Provident Fund in next year.

Note 52 - Leases

(Refer Note 3 (S) for accounting policy on leases)

A) Operating lease commitments - Company as a lessee

i) The Company has entered into various long term lease agreements for land. The Company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at 31st December 2019 aggregating ₹ 35.55 crore (31st December 2018 - ₹ 36.86 crore) is included in other non current / current assets, as applicable.

ii) The Company has also taken various residential premises, lands, office premises and warehouses under operating lease agreements. These are generally cancellable and are renewable by mutual consent on mutually agreed terms.

iii) The lease payments recognised in the statement of profit and loss under other expenses amounts to ₹ 54.50 crore (31st December 2018 - ₹ 46.86 crore).

iv) The lease payments recognised in the statement of profit and loss under freight and forwarding expense on finished products amounts to ₹ 26.99 crore (31st December 2018 - ₹ 35.94 crore).

v) General description of the leasing arrangement :

Future lease rentals are determined on the basis of agreed terms. There are no restrictions imposed by lease arrangements. There are no subleases.

Future lease rental payments under non-cancellable operating leases are as follows :

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Not later than one year	**37.28**	22.73
Later than one year and not later than five years	**83.90**	35.22
Later than five years	**120.56**	23.16
Total	**241.74**	81.11

B) Finance leases - Company as a lessee

The Company has entered into various finance lease agreements for land which have been assessed as finance lease since the present value of the minimum lease payments is substantially similar to the fair value of the leasehold land (Refer Note 4). The Company does not have an option to purchase such leasehold land at the end of the lease period. There are no restrictions such as those concerning dividends, additional debts and further leasing imposed by the lease agreement.

Note 53 Disclosure pursuant to SEBI (Listing obligations and disclosure requirements, 2015 and Section 186(4) of the Companies Act, 2013 :

Particulars	As at 31.12.2019		As at 31.12.2018	
	Outstanding balance	Maximum balance outstanding during the year	Outstanding balance	Maximum balance outstanding during the year
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Unsecured loans to wholly owned Subsidiaries :				
a) Dirk India Private Limited (For working capital requirement, carrying interest @ 12% p.a. Company has made provision against loans and interest receivable thereon as on 31st December 2018 (Refer Note 59 (b) & 60).	**37.94**	**37.94**	37.94	37.94
b) Chemical Limes Mundwa Private Limited (For working capital requirement. Repayment on call basis and carries an interest rate in range of @ 10% p.a. to 12% p.a)	**1.28**	**1.28**	1.03	1.03
c) M.G.T Cements Private limited (For working capital requirement. Repayment on call basis and carries an interest rate @ 10.55% p.a.)	**0.01**	**0.01**	-	-

Notes:

1) None of the loanees have made, per se, investment in the shares of the Company.

2) Details of investments made is given in Note 8.

3) Outstanding loans as disclosed above do not include interest accrued thereon.

Note 54 - Related party disclosure

1) Name of related parties

A) Names of the related parties where control exists

Sr	Name	Nature of Relationship
i)	LafargeHolcim Limited, Switzerland	Ultimate Holding Company
ii)	Holderfin B.V, Netherlands	Intermediate Holding Company
iii)	Holderind Investments Limited, Mauritius	Holding Company
iv)	ACC Limited	Subsidiary
v)	M.G.T. Cements Private Limited	Subsidiary
vi)	Chemical Limes Mundwa Private Limited	Subsidiary
vii)	Dang Cement Industries Private Limited, Nepal	Subsidiary
viii)	Dirk India Private Limited	Subsidiary
ix)	OneIndia BSC Private Limited	Subsidiary
x)	ACC Mineral Resources Limited	Subsidiary of ACC Limited
xi)	Lucky Minmat Limited	Subsidiary of ACC Limited
xii)	National Limestone Company Private Limited	Subsidiary of ACC Limited
xiii)	Singhania Minerals Private Limited	Subsidiary of ACC Limited
xiv)	Bulk Cement Corporation (India) Limited	Subsidiary of ACC Limited

Note 54 - Related party disclosure

B) Others, with whom transactions have taken place during the current year and /or previous year

i) Related parties

Sr	Name	Nature of Relationship
a)	Holcim Group Services Limited, Switzerland	Fellow Subsidiary
b)	Holcim Technology Limited, Switzerland	Fellow Subsidiary
c)	Holcim Services (South Asia) Limited	Fellow Subsidiary
d)	Holcim Trading FZCO., UAE	Fellow Subsidiary
e)	Holcim (Romania) S.A., Romania	Fellow Subsidiary
f)	LafargeHolcim Energy Solutions S.A.S., France	Fellow Subsidiary
g)	LafargeHolcim Building Materials (China) Limited	Fellow Subsidiary
h)	Lafarge Cement AS,Czech Republic	Fellow Subsidiary
i)	Holcim (US) Inc	Fellow Subsidiary
j)	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidary
k)	Lafarge Africa PLC, Nigeria	Fellow Subsidary
l)	Counto Microfine Products Private Limited	Joint Venture
m)	Ambuja Cements Limited Staff Provident Fund Trust	Trust (Post-employment benefit plan)
n)	Ambuja Cements Limited Employees Grautity Fund Trust	Trust (Post-employment benefit plan)

ii) Key Management Personnel (KMP)

In accordance with "Ind AS 24 - Related Party Disclosures" and the Companies Act, 2013, following Personnels are considered as KMP.

Sr	Name	Nature of Relationship
a)	Mr. N.S. Sekhsaria	Non-Executive Director
b)	Mr. Jan Jenisch	Non-Executive Director
c)	Mr. Martin Kriegner	Non-Executive Director
d)	Mr. Christof Hassig	Non-Executive Director
e)	Ms. Usha Sangwan	Non-Executive Director (upto 20th December 2018)
f)	Mr. B.L.Taparia	Non-Executive Director(upto 29th March 2019)
g)	Mr. Nasser Munjee	Independent Director
h)	Mr. Rajendra P. Chitale	Independent Director
i)	Mr. Shailesh Haribhakti	Independent Director
j)	Dr. Omkar Goswami	Independent Director
k)	Mr. Haigreve Khaitan	Independent Director (upto 31st March 2019)
l)	Mr. Roland Kohler	Non-Executive Director
m)	Ms. Then Hwee Tan	Non-Executive Director (with effect from 18th February 2019)
n)	Mr. Mahendra Kumar Sharma	Non-Executive Director (with effect from 01st April 2019)
o)	Ms. Shikha Sharma	Independent Director (with effect from 01st April 2019)
p)	Mr. Ranjit Shahani	Non-Executive Director (with effect from 01st April 2019)
q)	Mr. Praveen Kumar Molri	Non-Executive Director (with effect from 01st April 2019)
r)	Mr. Ajay Kapur	Managing Director & Chief Executive Officer (upto 28th February 2019)
s)	Mr. Bimlendra Jha	Managing Director & Chief Executive Officer (with effect from 1st March 2019)
t)	Mr. Suresh Joshi	Chief Financial Officer (upto 30th April 2019)
u)	Ms. Sonal Shrivastava	Chief Financial Officer (with effect from 1st May 2019)
v)	Mr. Rajiv Gandhi	Company Secretary

Note 54 - Related party disclosure

II) Transactions with related party

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
A) Transactions with subsidiaries during the year		
1 Purchase of goods		
Dirk India Private Limited	0.59	0.87
ACC Limited	103.61	31.72
	104.20	32.59
2 Sale of goods		
ACC Limited	115.08	35.02
3 Rendering of services		
ACC Limited	32.52	47.40
4 Interest income		
Dirk India Private Limited	4.55	4.55
Chemical Limes Mundwa Private Limited	0.14	0.12
	4.69	4.67
5 Receiving of services		
Dirk India Private Limited	13.46	15.84
ACC Limited	41.98	47.43
OneIndia BSC Private Limited	22.14	25.38
	77.58	88.65
6 Purchase of fixed asset		
ACC Limited	-	19.23
7 Dividend Received		
ACC Limited	131.58	140.98
8 Other recoveries		
ACC Limited	9.78	0.01
9 Other payments		
ACC Limited	0.14	0.62
OneIndia BSC Private Limited	0.01	0.01
	0.15	0.63

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
B) Outstanding balances with subsidiary Companies		
1 Inter corporate deposits and loans given		
Chemical Limes Mundwa Private Limited	0.25	0.18
M.G.T. Cements Private Limited	0.01	-
	0.26	0.18
2 Loans / inter corporate deposits given outstanding at the year end		
Secured		
Dirk India Private Limited	-	-
Chemical Limes Mundwa Private Limited	-	-
Unsecured, Considered good		
M.G.T. Cements Private Limited	0.01	-
Dirk India Private Limited	-	-
Chemical Limes Mundwa Private Limited	1.28	1.03
Unsecured loans which have significant increase in credit risk		
Dirk India Private Limited (Refer Note 59(b))	37.94	37.94
	39.23	38.97

Note 54 - Related party disclosure

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
3 **Amount receivable at the year end**		
Unsecured, considered good		
Chemical Limes Mundwa Private Limited	0.11	0.09
ACC Limited	44.53	18.35
Dirk India Private Limited	3.06	-
Unsecured interest on loans which have significant increase in credit risk		
Dirk India Private Limited (Refer Note 59(b))	10.60	10.60
	58.30	29.04
4 **Amount payable at the year end**		
Dirk India Private Limited	7.49	2.48
ACC Limited	28.28	15.22
OneIndia BSC Private Limited	4.04	2.86
	39.81	20.56

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
C) **Transactions with fellow subsidiaries during the year**		
1 **Purchase of goods**		
LafargeHolcim Energy Solutions S.A.S., France	282.25	264.90
2 **Purchase of Fixed Assets**		
Holcim (US) Inc	97.58	-
3 **Receiving of services**		
Holcim Group Services Limited, Switzerland	0.25	1.60
Holcim Technology Limited, Switzerland	112.67	109.46
Holcim Services (South Asia) Limited	51.79	66.85
	164.67	177.91
4 **Rendering of services**		
Holcim Services (South Asia) Limited	1.60	2.56
5 **Other recoveries**		
LafargeHolcim Energy Solutions S.A.S., France	0.17	0.13
Holcim Technology Limited, Switzerland	0.44	0.13
LafargeHolcim Bangladesh Ltd,Bangladesh	0.01	-
Lafarge Africa PLC,Nigeria	0.16	-
	0.78	0.26
6 **Other payments**		
LafargeHolcim Energy Solutions S.A.S., France	3.97	2.33
LafargeHolcim Building Materials (China) Limited	0.04	0.88
Lafarge Cement AS,Czech Republic	-	0.01
Holcim Technology Limited, Switzerland	1.99	0.96
	6.00	4.18

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
D) **Outstanding balances with fellow subsidiary Companies**		
1 **Amount payable at the year end**		
Holcim Technology Limited, Switzerland	30.66	29.08
Holcim Services (South Asia) Limited	22.88	-
Holcim (Romania) S.A., Romania	0.03	0.03
Holcim Trading FZCO., UAE	-	0.18
Holcim Group Services Limited, Switzerland	0.10	0.66
LafargeHolcim Energy Solutions S.A.S., France	30.96	69.89
LafargeHolcim Building Materials (China) Limited	-	0.89
	84.63	100.73
2 **Amount receivable at the year end**		
Holcim Services (South Asia) Limited	0.67	2.90
LafargeHolcim Bangladesh Ltd,Bangladesh	0.01	-
	0.68	2.90

Note 54 - Related party disclosure

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
E) Transactions with holding company during the year		
1 Dividend paid		
Holderind Investments Limited, Mauritius	187.97	250.63
F) Transactions with joint ventures during the year		
1 Rendering of services		
Counto Microfine Products Private Limited	2.62	3.02
2 Dividend Received		
Counto Microfine Products Private Limited	1.66	-
3 Buy back of shares		
Counto Microfine Products Private Limited	-	1.50
4 Purchase of Goods		
Counto Microfine Products Private Limited	0.01	-

Particulars	As at 31 December 2019 ₹ in crore	As at 31 December 2018 ₹ in crore
G) Outstanding balances with joint ventures		
Amount receivable at the year end		
Counto Microfine Products Private Limited	0.75	0.61

Particulars	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore
H) Transactions with Key Management Personnel		
1 Remuneration (Refer Note (a) below)		
Mr. Ajay Kapur	7.19	10.96
Mr. Bimlendra Jha	6.49	-
Mr. Suresh Joshi	0.93	2.76
Ms. Sonal Shrivastava	1.30	-
Mr. Rajiv Gandhi	0.98	1.07
	16.89	14.79
2 Break-up of remuneration		
Short term employment benefit	10.57	13.86
Post employment benefits	3.73	0.78
Other long term benefits	2.59	0.15
	16.89	14.79
3 Commission, sitting fees and advisory fee		
Mr. N.S. Sekhsaria	0.54	0.56
Mr. Martin Kriegner (Refer Note (e) below)	-	0.05
Mr. Christof Hassig	0.22	0.24
Ms. Usha Sangwan	-	0.20
Mr. Nasser Munjee	0.42	0.45
Mr. Rajendra P. Chitale	0.54	0.57
Mr. Shailesh Haribhakti	0.43	0.43
Dr. Omkar Goswami	0.41	0.44
Mr. Haigreve Khaitan	0.10	0.43
Mr. Jan Jenisch	0.22	0.21
Mr. Roland Kohler	0.22	0.19
Ms. Then Hwee Tan	0.35	-
Mr. Mahendra Kumar Sharma	0.17	-
Ms. Shikha Sharma	0.31	-
Mr. Ranjit Shahani	0.18	-
Mr. Praveen Kumar Molri	0.17	-
Mr. B.L.Taparia	0.17	1.37
	4.45	5.14
Total	21.34	19.93

Note 54 - Related party disclosure

Notes:

a) Remuneration does not include :
   i) Provision for contribution to gratuity fund, leave encashment and other defined benefits which are provided based on actuarial valuation on an overall Company basis.
   ii) Performance incentive for respective years, pending finalisation. Current year includes performance bonus related to performance of previous year.

b) Contribution to Ambuja Cements Limited Staff Provident Fund Trust :

   The Company is required to contribute a specified percentage of the employee compensation for eligible employees towards provident fund. For the same the Company makes monthly contribution to a trust specified for this purpose. During the year, the Company has contributed ₹ 6.57 crore (previous year - ₹ 4.65 crore).

c) Contribution to Ambuja Cements Limited Employees Gratuity Fund Trust :

   The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees. During the year, the Company has contributed ₹ 5.80 (previous year - ₹ 7.00 crore).

d) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any loss allowances for trade receivables from related parties (previous year - nil).

e) Mr. Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 23rd October 2018.

Note 55 - Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A) Classification of financial assets and liabilities ₹ in crore

Particulars	Notes	Carrying value	Fair Value	Carrying value	Fair Value
		As at 31.12.2019		As at 31.12.2018	
Financial assets					
a) Measured at amortised cost					
Cash and cash equivalents	16	**3,858.55**	**3,858.55**	2,919.82	2,919.82
Bank balances other than cash and cash equivalents	17	**187.20**	**187.20**	179.64	179.64
Trade Receivables	15	**513.22**	**513.22**	470.26	470.26
Loans	11, 18	**67.41**	**67.41**	64.63	64.63
Other financial assets (Refer Note 61)	12, 19	**601.81**	**601.81**	455.72	455.72
Total financial assets measured at amortised cost		**5,228.19**	**5,228.19**	4,090.07	4,090.07
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	**653.74**	**653.74**	230.51	230.51
Investment in unquoted equity instruments	9	**-**	**-**	-	-
Total financial assets (a+b)		**5,881.93**	**5,881.93**	4,320.58	4,320.58
Financial liabilities					
a) Measured at amortised cost					
Trade payables		**935.98**	**935.98**	1,109.46	1,109.46
Other financial liabilities	27, 34	**782.57**	**782.57**	617.26	617.26
Interest free loan from State Government	26	**35.28**	**30.41**	39.68	27.17
Total financial liabilities at amortised cost		**1,753.83**	**1,748.96**	1,766.40	1,753.89
b) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	**0.09**	**0.09**	0.09	0.09
Total financial liabilities (a+b)		**1,753.92**	**1,749.05**	1,766.49	1,753.98

Note 55 - Financial instruments

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:

₹ in crore

Particulars	For the year ended 31st December 2019	For the year ended 31st December 2018
Financial assets measured at amortised cost		
Interest income	**211.05**	153.27
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	**27.84**	44.18
Net gain on fair valuation of liquid mutual fund	**2.74**	0.51
Financial liabilities measured at amortised cost		
Net Exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	**1.12**	6.25
Interest expenses on deposits from dealers	**25.25**	26.03
Financial liabilities measured at fair value through profit or loss		
Net Loss of on foreign currency forward contract	**0.13**	0.91
Net gain recognised in Statement of Profit and Loss	**215.13**	164.77

C) Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

a) Level 1

This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2

This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3

This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

D) For assets and liabilities which are measured at fair value, the classification of fair value calculations by category is summarized below :

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore	Level	Valuation techniques and key inputs
Financial assets					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Cash and cash equivalents - investments in liquid mutual funds	16	**653.74**	230.51	1	Investment in liquid and short term mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.
Investment in unquoted equity instruments (other than subsidiaries and joint ventures)	9	**-**	-	3	Using discounted cash flow method.

Note 55 - Financial instruments

Particulars	Notes	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore	Level	Valuation techniques and key inputs
Financial liabilities					
a) Measured at fair value through the statement of profit and loss (FVTPL)					
Foreign currency forward contract	34	**0.09**	0.09	2	The fair value of forward foreign exchange contract is calculated as the present value determined using forward exchange rates at the reporting date.

Note:

a) There was no transfer between level 1 and level 2 fair value measurement.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

In the Company's opinion the carrying amount of loans, other financial assets, trade receivables, cash and cash equivalents excluding investments in liquid mutual funds, bank balances other than cash and cash equivalents, other financial liabilities (excluding derivative financial instruments) and trade payable recognised in the financial statement approximate their fair values largely due to the short-term maturities of these instruments.

Note 56 - Financial risk management objectives and policies

The Company has a system-based approach to risk management, established policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks such as market risk, credit risk and liquidity risk that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulations.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Company's management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews policies for managing each of these risks, which are summarized below.

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks a) interest rate risk b) currency risk and c) other price risk. Financial instruments affected by market risk comprise deposits, investments, trade payables.

The Company is not an investor in equity market. The Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments are administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in fixed deposits and liquid mutual funds (debt market). Mark to market movements in respect of the Company's investments are valued through the statement of profit and loss. Fixed deposits are held with highly rated banks, have a short tenure and are not subject to interest rate volatility.

Assumption made in calculating the sensitivity analysis

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

a) Interest rate risk

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

Note 56 - Financial risk management objectives and policies

Interest risk exposure

Particulars	As at 31.12.2019 ₹ in crore	As at 31.12.2018 ₹ in crore
Interest bearing		
Security deposit from dealers (Refer Note 34)	506.41	404.67
Non-interest bearing		
Current maturities of non-current borrowings (Refer Note 34)	5.78	-
Borrowings - Interest free sales tax loan (Refer Note 26)	35.28	39.68
Total	547.47	444.35
Interest rate sensitivities for unhedged exposure (Refer Note (a) below)		
Security deposit from dealers		
Impact of increase in 100 bps would decrease profit by	5.06	4.05
Impact of decrease in 100 bps would increase profit by	(5.06)	(4.05)

Note:

a) Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company is not exposed to significant foreign currency risk. Based on sensitivity analysis, the Company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

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

Particulars	As at 31.12.2019		As at 31.12.2018	
	₹ in crore	Foreign currency in crore	₹ in crore	Foreign currency in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	3.27	0.04	2.66	0.04
EURO	3.24	0.04	4.38	0.05
GBP	0.22	-	0.01	-
JPY	0.27	0.41	1.01	1.60
SEK	0.01	-	0.27	0.03
SGD	-	-	0.12	-
USD	10.97	0.16	10.59	0.16
CNY	-	-	0.89	0.09
Total	17.98		19.93	
Trade receivables, loans and other financial assets (Unhedged)				
USD	9.13	0.13	2.55	0.04
CHF	0.60	0.01	0.17	-
DKK	-	-	0.01	-
EURO	2.28	0.03	6.32	0.06
GBP	0.22	-	0.01	-
JPY	-	-	1.90	3.01
SGD	0.04	-	0.22	-
SEK	0.07	0.01	0.24	0.03
Total	12.34		11.42	
Foreign exchange derivatives				
USD (Hedged) - Forward contracts against imports	36.21	0.50	64.11	0.91

Note 56 - Financial risk management objectives and policies

Foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

Particulars	As at 31.12.2019		As at 31.12.2018	
	1 % strengthening of ₹	1 % weakening of ₹	1 % strengthening of ₹	1 % weakening of ₹
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Trade payable and other current financial liabilities (Unhedged)				
CHF	**0.03**	**(0.03)**	0.03	(0.03)
EURO	**0.03**	**(0.03)**	0.04	(0.04)
GBP	**-**	**-**	-	-
JPY	**-**	**-**	0.01	(0.01)
SEK	**-**	**-**	-	-
SGD	**-**	**-**	-	-
USD	**0.11**	**(0.11)**	0.11	(0.11)
CNY	**-**	**-**	0.01	(0.01)
Increase / (Decrease) in profit	**0.17**	**(0.17)**	0.20	(0.20)

Particulars	As at 31.12.2019		As at 31.12.2018	
	1 % weakening of ₹	1 % strengthening of ₹	1 % weakening of ₹	1 % strengthening of ₹
	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Trade receivables, loans and other financial assets (Unhedged)				
USD	**0.09**	**(0.09)**	0.02	(0.02)
CHF	**0.01**	**(0.01)**	-	-
DKK	**-**	**-**	-	-
EURO	**0.02**	**(0.02)**	0.07	(0.07)
GBP	**0.01**	**(0.01)**	-	-
JPY	**-**	**-**	0.02	(0.02)
SGD	**-**	**-**	0.01	(0.01)
SEK	**0.07**	**(0.07)**	-	-
Increase / (Decrease) in profit	**0.20**	**(0.20)**	0.12	(0.12)

In the Company's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year / in future years.

c) Other price risk

Other price risk includes commodity price risk. The Company primarily imports coal, pet coke and gypsum. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management.

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company has no significant concentration of credit risk with any counterparty.

Financial assets for which loss allowance is measured using lifetime Expected Credit Losses (ECL)

Particulars	As at 31.12.2019 ₹in crore	As at 31.12.2018 ₹in crore
Trade receivables (Refer Note 15)	**9.90**	3.82
Financial assets other than trade receivables		
Loans to related party - Subsidiary (Refer Note 11)	**37.94**	37.94
Loans to Joint Operation (Refer Note 11)	**0.98**	0.89
Interest receivable from related party (Refer Note 12)	**10.60**	10.60
Other receivable (Refer Note 19)	**5.70**	-
	55.22	49.43
Total	**65.12**	53.25

Note 56 - Financial risk management objectives

Financial assets other than trade receivables

The exposure to the Company arising out of this category consist of balances with banks, investments in liquid mutual funds (debt markets), incentives receivables from government and loans which do not pose any material credit risk. Such exposure is also controlled, reviewed and approved by the management of the Company on routine basis. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Credit risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

Investments of surplus funds are made only with approved financial Institutions. Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Total investments in liquid mutual funds as on 31st December 2019 are ₹ 653.74 crore (31st December 2018 - ₹ 230.51 crore)

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Trade receivables

Trade receivables consist of a large number of customers. The Company has credit evaluation policy for each customer and based on the evaluation credit limit of each customer is defined. The exposure in credit risk arising out of major customers is generally backed either by bank guarantee, letter of credit or security deposits.

The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company.

The Company does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales.

The ageing analysis of trade receivables :

Particulars	As at 31.12.2019 ₹in crore	As at 31.12.2018 ₹in crore
Up to 6 months	**507.76**	449.93
More than 6 months	**5.46**	20.33
Total	**513.22**	470.26

Expected credit loss assessment

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Particulars	As at 31.12.2019 ₹in crore	As at 31.12.2018 ₹in crore
Movement in expected credit loss allowance of trade receivables		
Balance at the beginning of the year	**3.82**	5.86
Add: provided during the year	**7.67**	1.85
Less : reversal of provisions	**1.59**	3.89
Balance at the end of the year	**9.90**	3.82
Movement in expected credit loss allowance of financial assets other than trade receivables		
Balance at the beginning of the year	**49.43**	0.89
Add: provided during the year	**5.79**	48.54
Less : reversal of provisions	**-**	-
Balance at the end of the year	**55.22**	49.43

Expected credit loss provision in respect of financial assets other than trade receiavbles comprise of loans extended to subsidiary and joint operation of the company

C) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company has large investments in short term liquid funds which can be redeemed on a very short notice and hence carried negligible liquidity risk.

Note 56 - Financial risk management objectives

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

Particulars	Less than 1 year ₹ in crore	More than 1 year ₹ in crore	Total ₹in crore
As at 31st December 2019			
Borrowings	**-**	**35.28**	**35.28**
Trade payables	**935.98**	**-**	**935.98**
Other financial liabilities (Refer Note (a) below)	**782.04**	**0.62**	**782.66**
Total	**1,718.02**	**35.90**	**1,753.92**
Cash and cash equivalents	**4,512.29**	**-**	**4,512.29**
As at 31st December 2018			
Borrowings	-	39.68	39.68
Trade payables	1,109.46	-	1,109.46
Other financial liabilities (Refer Note (a) below)	616.17	1.18	617.35
Total	1,725.63	40.86	1,766.49
Cash and cash equivalents	3,150.33	-	3,150.33

Note:

a) Other financial liabilities includes deposits received from customers amounting to ₹ 506.41 crore (31st December 2018 - ₹ 404.67 crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

Note 57 - Standards issued but not yet effective

On 30th March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 “Leases”. Ind AS 116 will replace Ind AS 17 “Leases” and its related interpretations. The new standard sets out the principles for recognition, measurement, presentation and disclosure of leases by both the parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at the time this standard is first applied and a corresponding right-of-use-asset.

The Company intends to apply the new standard in accordance with the modified retrospective approach without restatement of the comparative period.

Leases that were accounted for as operating leases in accordance with Ind AS 17 “Leases”, will be recognised at the present value of the remaining lease payments starting 1st January 2020, and discounted using the lessee’s incremental borrowing rate as at the date of initial application.

Furthermore, the Company has chosen the option whereby the right-of-use asset would equal the lease liability at the initial application of Ind AS 116.

Balance sheet:

The Company is currently finalising the implementation of the Ind AS 116 standard, which is expected to translate as of 1st January 2020 into additional lease liabilities and right-of-use assets approximately ₹ 168 crore.

Statement of Profit and Loss:

The Company estimates that the adoption of Ind AS 116 will result in increased depreciation of approximately ₹ 20 crore from the right-of-use assets. This will offset the reduction in operating lease expenses of around ₹ 28 crore per year, resulting in an overall increase in Earnings before interest and taxes (EBIT) of ₹ 8 crore. Finance costs are expected to increase by approximately ₹ 10 crore per year due to the interest recognised on lease liabilities.

Statement of Cash Flows:

The Company estimates that the adoption of Ind AS 116 will increase cash flows from operating activities by approximately ₹ 28 crore with a related decrease in cash flows used in financing activities of ₹ 28 crore which relates to lease payments.

Note 57 - Standards issued but not yet effective

Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on 30th March 2019 which is effective from 1st January 2020.

a) **Ind AS 12 - Appendix C, "Uncertainty over Income Tax Treatments"**

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company has used in tax computation or plan to use in their income tax filings. The Company has currently carried out an initial assessment using the most likely method prescribed for better predicting the resolution of uncertain tax positions.

b) **Ind AS 19 – "Plan amendment, curtailment or settlement"**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

c) **Amendments to Ind AS 28, "Investments to Associates and Joint Ventures"**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any such long-term interests in associates and joint ventures.

d) **Amendments to Ind AS 109, "Financial Instruments"**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its Financial Statements.

Note 58 - Segment reporting

(Refer Note 3 (T) for accounting policy on segment reporting)

A) The principal business of the Company is of manufacturing and sale of cement and cement related products. All other activities of the Company revolve around its main business. The Executive Committee of the Company, has been identified as the chief operating decision maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. CODM have concluded that there is only one operating reportable segment as defined by Ind AS 108 "Operating Segments", i.e. cement and cement related products.

B) **Geographical Information**

The Company operates in geographical areas - India (country of domicile) and others (outside India).

Particular	Revenues from customers		Non-current assets (Refer Note (a) below)	
	For the year ended 31st December 2019 ₹ in crore	For the year ended 31st December 2018 ₹ in crore	**As at 31.12.2019 ₹ in crore**	As at 31.12.2018 ₹ in crore
a) Within India	**11,352.76**	10,977.00	**7,917.78**	7,355.13
b) Others (Refer Note (b) below)	**-**	-	**-**	-
Total	**11,352.76**	10,977.00	**7,917.78**	7,355.13

Notes:

a) As per Ind AS 108 "Operating Segments", non current assets include assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts (i) located in the entity's country of domicile and (ii) located in all foreign countries in total in which the entity holds assets.

b) Sales outside India are in functional currency.

C) **Information about major customers**

During the year ended 31st December 2019 and 31st December 2018, there is no single customer contributes 10% or more to the Company's revenue.

Note 59 - Exceptional Items

Exceptional items for previous year, includes :

a) ₹ 81.41 crore, on account of charge towards separation scheme for employees.

b) Dirk India Private Limited (DIPL) is a wholly owned subsidiary of the Company. The Company has extended interest bearing loans to DIPL. DIPL's economic performance is subdued because of effects of ongoing legal dispute with its supplier of key raw material. The company is making all attempts through legal and formal resources to resolve the disputes however given circumstances and analysis of events occurred, there is likelihood that economic performance of DIPL shall remain adverse. Considering this situation, the Company has performed a test of impairment and determined the value in use based on estimated cash flow projections. As a result, management has recognised a provision towards loans and interest thereon amounting to ₹ 37.94 crore and ₹ 10.60 crore respectively, due to the Company as on 31st December 2018.

Note 60 - Proposed amalgamation of a subsidiary

During the year, the Board of Directors has approved the amalgamation of Dirk India Private Limited, a wholly owned subsidiary, with the Company, with effect from 1st January 2020, in terms of the scheme of amalgamation, subject to regulatory approval. Pending such approval, no effect of the proposed amalgamation has been given in these financial statements.

Note 61 - Reclassification of certain Incentives Receivable from Government included under Financial Asset

Consequent to clarification issued by The Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India, the Company has evaluated the classification of incentives in the financial statements. Considering that the Company has complied with the conditions attached to the scheme and is entitled to the incentives as per the scheme, accrued Incentives Receivable under Government Schemes mainly in the form of GST / VAT refunds from the various state governments falls under the definition of financial instrument (Refer Notes 12 and 19). 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 Company believes that the reclassification has no material effect on the information in the Balance Sheet.

Note 62

Figures below ₹ 50,000 have not been disclosed.

Note 63

Figures for the previous year have been regrouped / reclassified wherever necessary, to conform to current year's classification.

The accompanying notes are integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

Sonal Shrivastava
Chief Financial Officer

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

Rajendra P. Chitale
Chairman - Audit Committee
DIN - 00015986

Martin Kriegner
Director
DIN - 00077715

Shailesh Haribhakti
Director
DIN - 00007347

Rajiv Gandhi
Company Secretary

Shikha Sharma
Director
DIN - 00043265

Omkar Goswami
Director
DIN - 00004258

Christof Hassig
Director
DIN - 01680305

Ranjit Shahani
Director
DIN - 00103845

Mahendra Kumar Sharma
Director
DIN - 00327684

Roland Kohler
Director
DIN - 08069722

Bimlendra Jha
Managing Director & Chief Executive Officer
DIN - 02170280

Mumbai, 20th February, 2020