Integrated Report 2021

ACC Limited

Cementing Relationships through Sustainability, Innovation and Inclusivity

Cementing Relationships through Sustainability, Innovation and Inclusivity

At ACC, we are driven by a purpose

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

The essence of our purpose is to contribute to the future of our stakeholders. We realise this purpose through continued and targeted action, being greener in our footprint, smarter in our operations, and by delivering value for all. Having begun operations in 1936, ours has been a rich legacy of ethical governance, strong sense of values and business practices that have helped us earn the trust and goodwill of our investors and stakeholders. Our brand value relates to cementing relationships with our stakeholders by prioritising sustainability, innovation and inclusivity in the way we operate.

SUSTAINABILITY

A robust Sustainability Development 2030 Plan, aligned to the United Nations Sustainability Development Goals (SDGs), is helping us focus on climate action, build a circular economy, and conserve natural resources and the environment. This year, we firmed up this commitment through our Net Zero pledge.

INNOVATION

Product-process innovation, optimisation and the scaling of efficiencies are helping us stay ahead of the curve. We have pioneered the use Industry 4.0 technologies in the sector and our 'Plants of Tomorrow' initiative has revolutionised our mines and production flows.

INCLUSIVITY

A stakeholder-centric company, we are creating value for all and caring for our communities through our CSR efforts. By promoting inclusive social development, creating a diverse and inclusive workplace and promoting ethical, inclusive practices, we are moving towards a sustainable and better future for all.

ECOPact
Concrete with at least 30% CO_2 reduction

Bubble Barrier
Technology introduced for the first time in India to collect waste from rivers for co-processing in our kilns

5 Lakh
Lives impacted through CSR efforts

BUILDING FOR net zero PEOPLE & PLANET

FOCUS STORIES

FS1
Committing to landmark climate action - Net Zero
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FS2
Collecting and utilising waste from the rivers
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FS3
Making India single-use plastic free
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FS4
Oorja - Women support network
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FS5
Consistently improving road safety performance
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FS6
ACC Vidyasaarathi Scholarship for students
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FS7
Our flagship skill development programme - DISHA
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FS8
Lift irrigation project on Rajasthan's Mej river
pg 85

Inside the report

Greater optimisation, cleaner production methods, a vast range of innovative products, more mainstream use of various circular methods are all trends that steer our onward journey.

Mr N S Sekhsaria,
Non-Executive and Non-Independent Director

We emulate the best practices that are adhered to in the realm of corporate governance globally, and these practices are integrated into our growth strategy.

Mr Sridhar Balakrishnan
MD & CEO

How we contribute to societal value

Our contribution to United Nations Sustainable Development Goals is shown throughout the report with SDG icons. We contribute to 13 of the 17 UN SDGs.

Capitals deployed

Financial capital
Financial resources that we possess or obtain through financing

Natural capital
Natural resources impacted by ACC's activities

Manufactured capital
Tangible assets used to conduct our business processes

Social and relationship capital
Ability to share, relate and collaborate with stakeholders, promoting community development and well-being

Intellectual capital
Intangible, knowledge based assets for our business

Human capital
Employee knowledge, skills, experience, and motivation

Report navigation

To aid navigation and to indicate cross-referencing, the following icons have been used through the report.

- M Material issues
- FS Focus stories
- S Strategies
- Page reference

2021 highlights (Standalone)

₹15,814 Crore
Net Sales

₹1,820 Crore
Profit After Tax

₹3,000 Crore
Operating EBITDA

19%
Return on Average Capital Employed (RoCE)

28.89 MT
Cement Sales Volume

₹41,609 Crore
Market capitalisation

MT – Million Tonnes
All figures as on December 31, 2021

Report available online at:
https://www.acclimited.com

About this report

Our business has imbibed an integrated way of thinking, with a focus on growth, sustainability, innovation, and inclusive development. Our Integrated Report 2021 <IR> provides information to our stakeholders about our performance, governance, material risks and opportunities, strategy, and future prospects. The information provided in this report includes financial and non-financial performance, risk management as well as material information relating to our strategy and business model, operating context, stakeholder interests, and governance among others.

We create long-term value for our stakeholders in an ethical way by utilising different forms of capitals available to us and pursuing value-accretive activities.

SCOPE

Reporting period

The report is for the period between January 1, 2021 - December 31, 2021, and is released annually.

Reporting boundary

This report covers information pertaining to, but not limited to, all our cement plants, grinding units, ready-mix concrete plants, limestone mines, captive power plants and our office premises and subsidiaries.

Details of our manufacturing facilities are on pg 7.

TARGET READERS

This report is primarily intended to address the information requirements of investors (our equity and prospective investors). Our endeavour is to present this information in a manner that is also relevant to other key stakeholders, including our customers, regulators, employees and the society at large.

FRAMEWORKS, GUIDELINES AND STANDARDS

The report has been prepared in accordance with the International <IR> Framework published by the Value Reporting Foundation erstwhile International Integrated Reporting Council (IIRC). Also, the report has been prepared in accordance with the GRI Standards: Comprehensive option. GRI Content Index is available on the website.

The report also aligns with:

- The Companies Act, 2013 (and the rules made thereunder)
- Task Force on Climate-related Financial Disclosures (TCFD)
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

FINANCIAL AND NON-FINANCIAL REPORTING

- The information in this report extends beyond financial aspects and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

MATERIALITY

Our material issues are those that matter most to our key stakeholders and have an impact on our ability to create value. These topics are influenced by the economic, social, and environmental context in which we operate.

Material topics

- Product quality and innovation
- Water
- Regulatory compliance
- Emissions
- Economic performance
- Climate & energy
- Occupational health and safety
- Corporate governance
- Employee development
- Corporate social responsibility
- Circular economy

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The report presents contribution to:

- Global Cement and Concrete Association (GCCA) Sustainability Charter
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UNGC) Principles

DATA INTEGRITY

Our aim is to provide information that is accurate and reliable, and at the same time unbiased, comparable, and comprehensible. We collect and analyse financial and non-financial data through internal software for inclusion in the report. Strict internal controls are exercised during the collection and analysis of the data, which is then verified internally and audited externally before presentation.

INDEPENDENT ASSURANCE

This report is externally assured by TUV India Private Limited. The assurance is conducted in accordance with 'Type 2, Moderate Level' criteria of AA1000AS Version 3 along with AA1000 AP (2018). Details of the assurance approach, methodology, and observations are presented in the Independent Assurance Statement, which is included in this report.
The information on financial performance is derived from our audited financial statements for 2021.

FEEDBACK

We welcome feedback on our report to ensure that we continue to disclose information that is pertinent and conducive to stakeholder decision-making.
Please refer queries or suggestions to
rashmi.khandelwal@acclimited.com
santosh.bhandarkar@acclimited.com

ESG RATINGS 2021

Dow Jones Sustainability Indexes	73 Score	DJSI
MSCI	B Rating	MSCI
CDP	A Rating	CDP CLIMATE
CDP	B Rating	CDP WATER

About ACC

Building a shared, sustainable future

ACC has been synonymous with cement in India for the past 85 years. Over the decades, we have evolved into a leading building materials solutions provider, setting industry benchmarks with our innovative product development. Our comprehensive portfolio of products and solutions caters to the aspirational and diverse building needs of a nation on the march, and contributes to its inclusive development agenda.

PURPOSE

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

VISION

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

PRESENCE

Our strategic manufacturing and marketing presence comprising of integrated cement plants, grinding units, ready-mix concrete plants and network of channel partners enables us to meet the customer needs across India.

HOLCIM

OUR PARENTAGE

We became a part of the Holcim Group, Switzerland, in 2005 (LafargeHolcim Group has rebranded itself as Holcim Group in 2021). Holcim is a global leader in building materials and solutions and is active in four business segments namely Cement, Aggregates, Ready-Mix Concrete and Solutions & Products. Following its pledge to Net Zero, Holcim's ambition is to lead the industry in reducing carbon emissions and shifting towards low-carbon construction. We pride ourselves in being part of the Group. Holcim supports us in our efforts towards adopting best-in-class technologies, sustainability at our plants, and offering innovative products.

This year, we have also taken the 'Net Zero' pledge and we are the first company in the Indian construction sector to sign the 'Business Ambition for 1.5°C' commitment. We have committed to reduce our CO_2 intensity per tonne of cementitious material by 2030. To achieve this goal, we have launched ECOPact, an eco-friendly range of ready-mix concrete, with 30% to 70% less carbon emissions compared to standard concrete.

HOLCIM KEY FACTS

70,000+
Employees

266
Cement and grinding plants

STRATEGY

Our strategic priorities are accelerating growth, leading in sustainability and innovation and delivering superior performance. Our strategy intends to deliver strong returns to shareholders, develop best-in-class and sustainable products for customers and create shared value for our key stakeholders, including our employees and communities.

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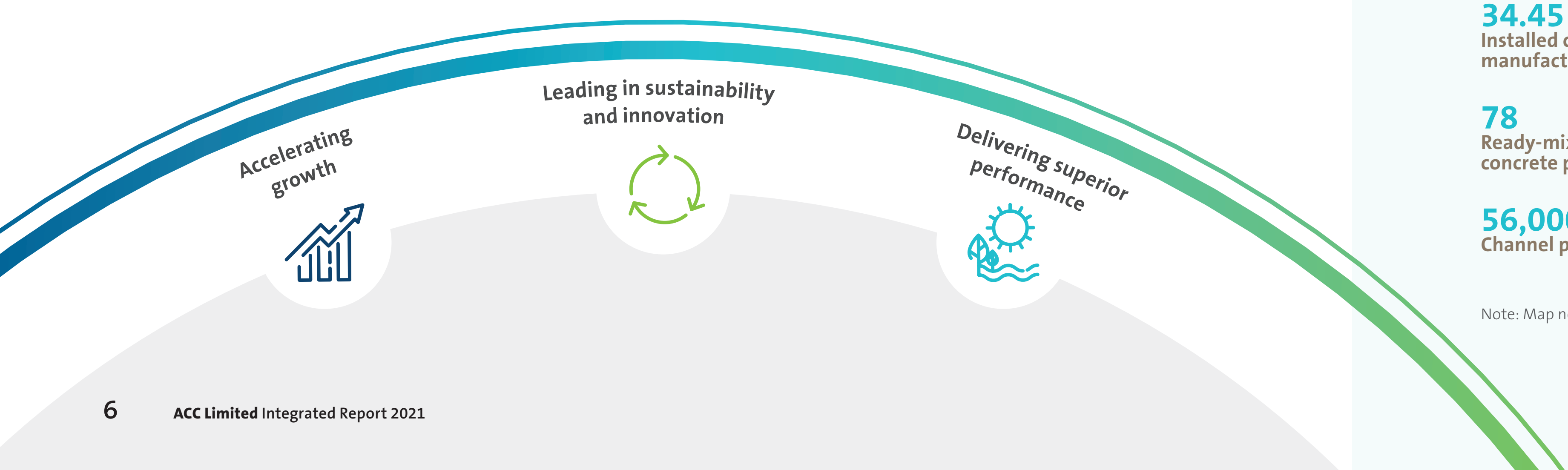
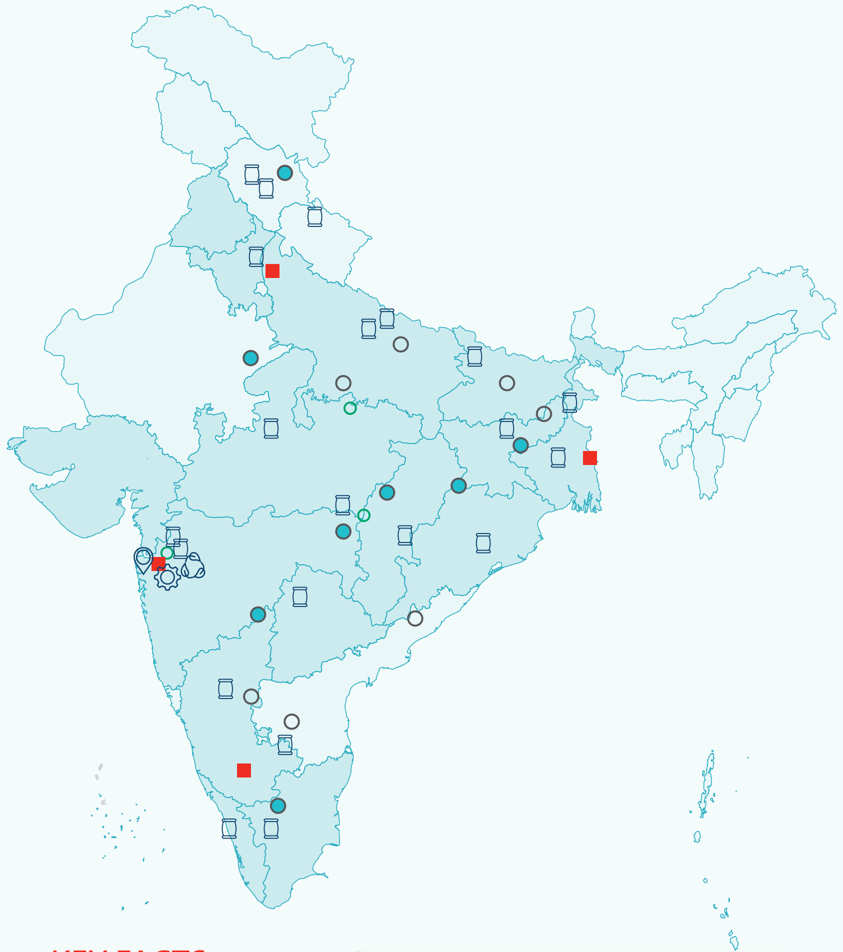


NATIONAL OUTREACH

Over the years, we have set up manufacturing and grinding units, and ready-mix concrete plants across the length and breadth of India.



Ready-mix concrete plants: 78* across 17 states

Cement plants across 12 states

Grinding unit
Integrated plant

Andhra Pradesh	Visakhapatnam
Chhattisgarh	Jamul
Himachal Pradesh	Gagal 1
	Gagal 2
Jharkhand	Chaibasa
	Sindri
Karnataka	Kudithini
	Thondebhavi
	Wadi 1
	Wadi 2
Madhya Pradesh	Kymore
Maharashtra	Chanda
Odisha	Bargarh
Rajasthan	Lakheri
Tamil Nadu	Madukkarai
Uttar Pradesh	Tikaria
West Bengal	Damodhar

Regional sales offices

Central and Eastern region: Kolkata, West Bengal
Northern region: New Delhi, NCR
Western region: Thane, Maharashtra
Southern region: Bengaluru, Karnataka

Training centres

ACC ACL Leadership Academy Thane, Maharashtra
ACC Cement Technology Institute Jamul, Chhattisgarh
Sumant Moolgaokar Technical Institute Kymore, Madhya Pradesh

Corporate office Mumbai, Maharashtra
Techport Thane, Maharashtra
Geocycle India Thane, Maharashtra
Sales units

*Plants depicted with state highlights for representation on map

KEY FACTS

17
Cement plants

34.45 MTPA
Installed cement manufacturing capacity

78
Ready-mix concrete plants

56,000+
Channel partners

Note: Map not to scale

Keeping ahead with category-first innovations

ACC is leading from the front and constantly pushing boundaries by developing modern products and service solutions that score high on performance, durability, strength and power. Our differentiated offerings are the result of our deep understanding of every consumer segment and tailoring our value propositions to their needs. Innovation and premium brand positioning are at the core of our portfolio, helping us reshape the way India builds.

CEMENT

The Gold and Silver ranges of cement assure superior quality for specialised applications and environment besides being immensely suited for general construction.

GOLD RANGE

A super premium line-up of unique products for catering to specialised applications.

ACC GOLD WATER SHIELD
Premium cement with a unique water repellent formula, which acts as a shield against water seepage

ACC F2R SUPERFAST
Scientifically developed with superior strength and superfine quality that enables robust construction in a short time

ACC CONCRETE+ XTRA STRONG
Specially formulated cement with unique binding properties, designed to provide higher strength

SILVER RANGE

The premium offerings are targeted at value-conscious buyers looking for high-quality cement at affordable prices.

ACC SURAKSHA POWER
Loaded with unique strength multipliers; providing homes with strength that increases over time

ACC HPC LONG LIFE
High-performance cement that forms strong bonds and makes dense concrete to provide the consumer with long-lasting homes

ACC SURAKSHA POWER+
Developed with engineered Particle Size Distributor (PSD) technology, its advanced formula along with tamper-proof packaging, enhances the superior quality

ACC SUPER SHAKTIMAAN
Scientifically made cement that fulfils the consumers' need of making their homes strong from the inside, year after year

READY-MIX CONCRETE (RMX)

Customised range of ready-mix concrete to meet specific requirements of diverse clientele, from small homes to mega projects.

RMX INNOVATIVE SOLUTIONS

ACC ECOPact
Low carbon footprint with the use CO_2 reduced binders, offering superior durability and finish

ACC JETSETCRETE
Designed to gain ultra-high early strength within a few hours with self-levelling features

ACC Ultivacrete
Highest commercial (M 140) grade concrete available in India

ACC AIRIUM (Upcoming)
Thermal insulating and climate control concrete system with energy and cost savings

ACC ready-mix concrete has a vast portfolio of 25 value-added solutions designed to meet different stages of construction requirement from the foundation to the roof.

To know more please visit www.acclimited.com/products/concrete-value-added-products

SOLUTIONS AND PRODUCTS

CONSTRUCTION CHEMICALS

The ACC LeakBlock range of construction chemicals gives 360° water resistance capability to structures.

ACC LeakBlock Cement Mix LB 202

ACC LeakBlock Cement Coat LB 303

DRY-MIX RANGE FOR RETAIL CUSTOMERS

The dry-mix range provides specific solutions to consumers' pain points. With consumer-friendly packaging and ease of use, these make home building easier.

ACC LeakBlock Waterproof Plaster LB 101

ACC Xtra Strong Tile Adhesive XT 111

ACC Xtra Strong Tile On Tile Adhesive XT 222

ACC LeakBlock Waterproof Plaster XT 333

ACC Xtra Strong Tile Adhesive XT 444

SELF CURING PLASTER 200

ACC ADMIX – RANGE OF CONCRETE ADMIXTURES

ACC ADMIX range are new generation super plasticiser based on modified PolyCarboxylate Ether (PCE) based polymer, designed to impart exceptional performance in concrete

ACC ADMIX LP-4300

ACC ADMIX MP-5400

ACC ADMIX HP-6500

ACC ADMIX HVF-7900

DRY-MIX RANGE FOR INSTITUTIONAL CUSTOMERS

This dry-mix range is designed to address key pain points of institutional consumers. With large 40 kg packs, these products provide customised solutions to suit various requirements of customers across the construction cycle.

Ready Use Plaster 101

Self Curing Plaster 200

Waterproof Plaster 201

Thin Bed Jointing Mortar 105

Grout 250

Grout 275

Tile Fix 111

Tile Fix 222

Tile Fix 333

Fibre reinforced Mortar PMM 340

Premium White Adhesive

ACC GREEN BUILDING CENTRE (GBC)

GBC provides alternative building solutions, including eco-friendly cement bricks, blocks, roofing solutions, and aggregates in Tier I and II and semi-rural user communities.

WALL CONSTRUCTION OFFERING

ACC Green Bricks
Produced by fully automatic vibro-compaction technology, these bricks have superior finish and durability and reduce application costs by up to 15%

ACC Green Concrete Hollow and Solid Blocks
Faster construction, economical and high thermal insulation. Hollow Blocks are best for hilly regions with seismicity

ACC Green Concrete Precast Wall Panels
Provide high strength and fast construction along with economy, making them ideal for large boundary walls

ACC+ Green AAC Blocks
They provide superior thermal and sound insulation, prevents seepage; high strength, low weight, they are ideal for homes

ACC Green AAC Blocks
Great product for projects due to their light weight and good thermal insulation, fast construction with savings in steel and cement

PAVEMENT AND FLOOR CONSTRUCTION OFFERING

ACC Green Interlocking and Designer Paver Blocks and Slabs
Easy to install, maintain and repair and can be used for various traffic conditions. Designer blocks enhance aesthetics of landscapes

ACC Green Concrete Plain and Chequered Tiles
Anti-skid tiles available in several aesthetically pleasing colours and designs, easy to install, maintain and repair

ACC Green Concrete Kerb Stones
Strong and sturdy, help maintain pavements. Easy to install and can be produced in several designs

ACC Green Drains and Manhole Covers
Various designs and sizes to facilitate road and pavement construction

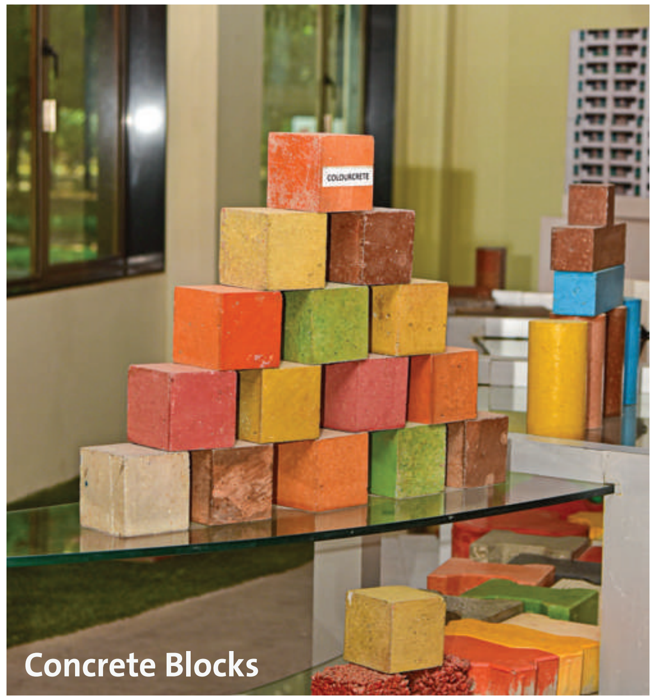
ACC USER-FRIENDLY GREEN CONCRETE PRODUCTS

ACC Green Toilets
Easy to manufacture and install

ACC Designer Garden Benches
Superior quality, multiple designs and easy to install

ACC Green Concrete Fencing Poles
Useful for barricading large stretches of land, easy to install

ACC Green Concrete Cover Blocks
Technically superior solution to prevent corrosion of steel rebars and facilitates a uniform concrete cover during construction


Concrete Blocks

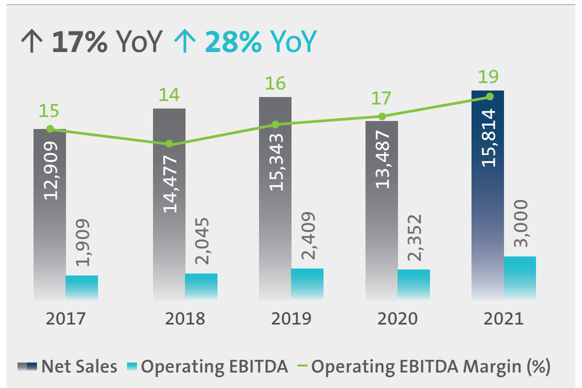

Green Bricks Stockyard

Financial performance (Standalone)

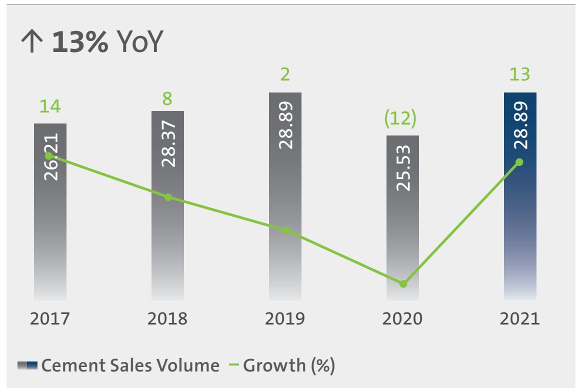
Delivering sustainable returns

Our performance during the year was marked by strong growth in cement volumes as well as higher price realisations. Despite a steep increase in fuel costs, our cost-efficiency measures under project 'Parvat' enabled us to deliver robust performance.

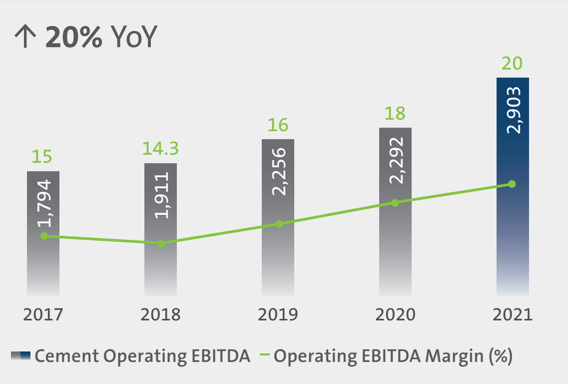
Net Sales, Operating EBITDA & Operating EBITDA Margin
(₹ Crore)



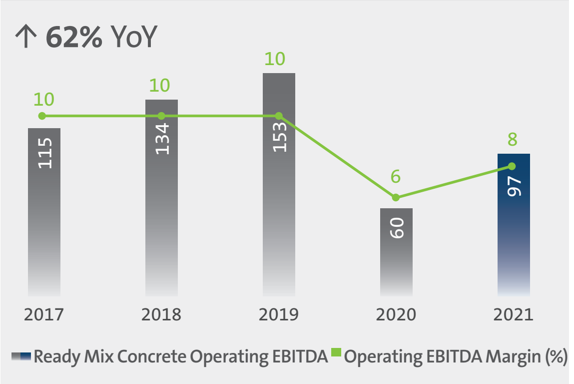
Cement Sales Volume & Growth
(MT)



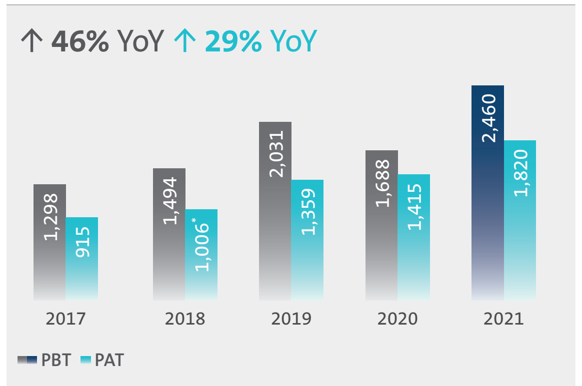
Cement Operating EBITDA & Operating EBITDA Margin
(₹ Crore)



Ready Mix Concrete Operating EBITDA & Operating EBITDA Margin
(₹ Crore)

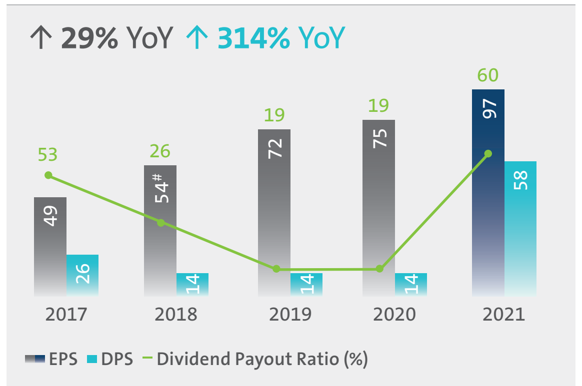


Profit Before Tax (PBT) & Profit After Tax (PAT)
(₹ Crore)



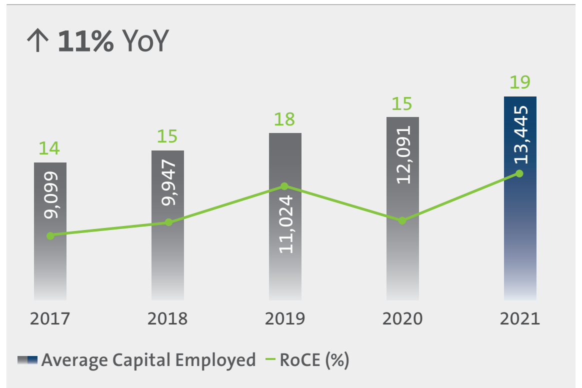
*Excludes write-back of ₹501 Crore related to tax provision

Dividend Per Share, Earnings Per Share and Dividend Payout Ratio
(₹ per share)

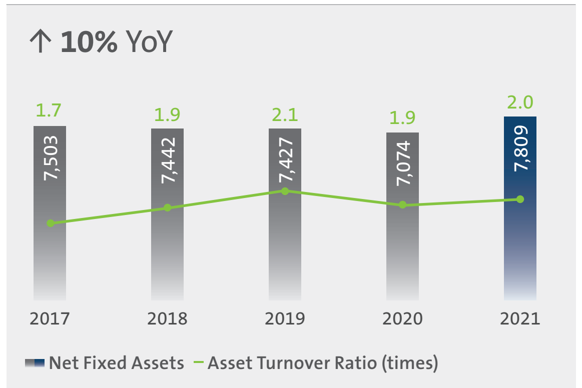


EPS is calculated excluding write-back of tax provision

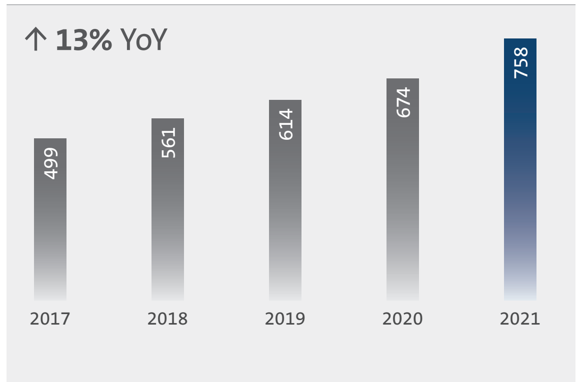
Average Capital Employed & Return on Capital Employed (RoCE)
(₹ Crore)



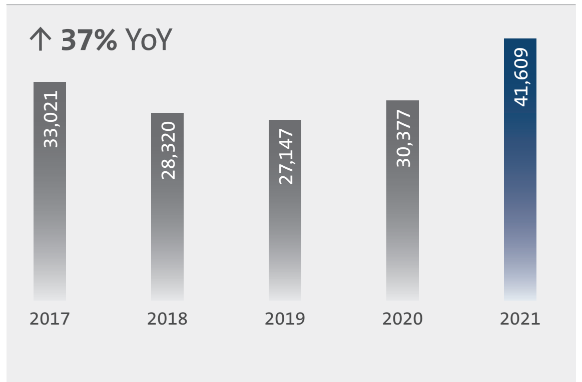
Net Fixed Assets & Asset Turnover Ratio
(₹ Crore)



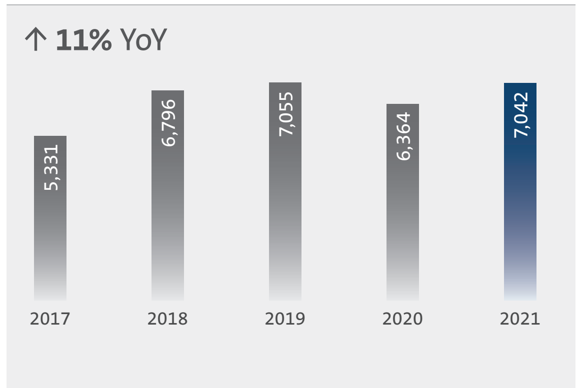
Book Value Per Share
(₹ per share)



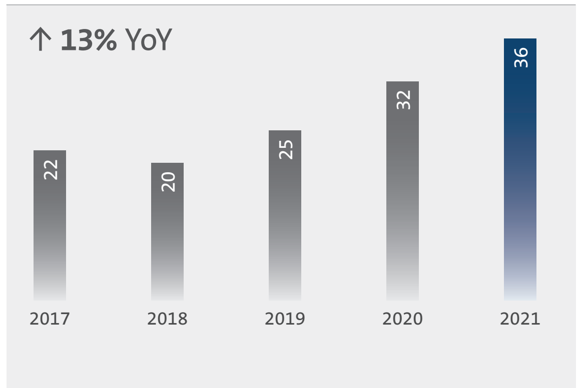
Market Capitalisation
(₹ Crore)



Contribution to Exchequer
(₹ Crore)



Corporate Social Responsibility Expenditure
(₹ Crore)

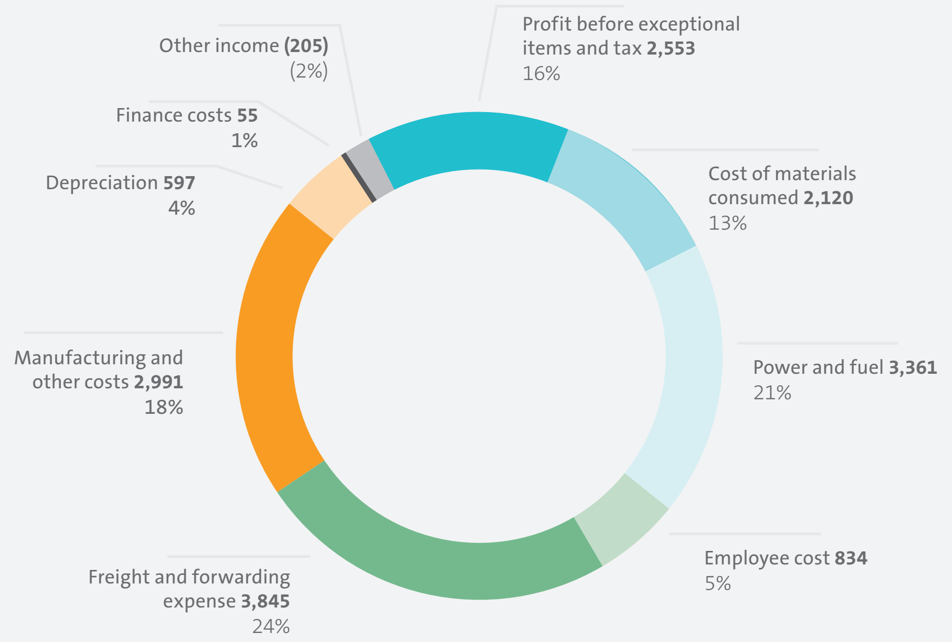


Financial performance (Standalone)

Cost and profit as a percentage of revenue from operations

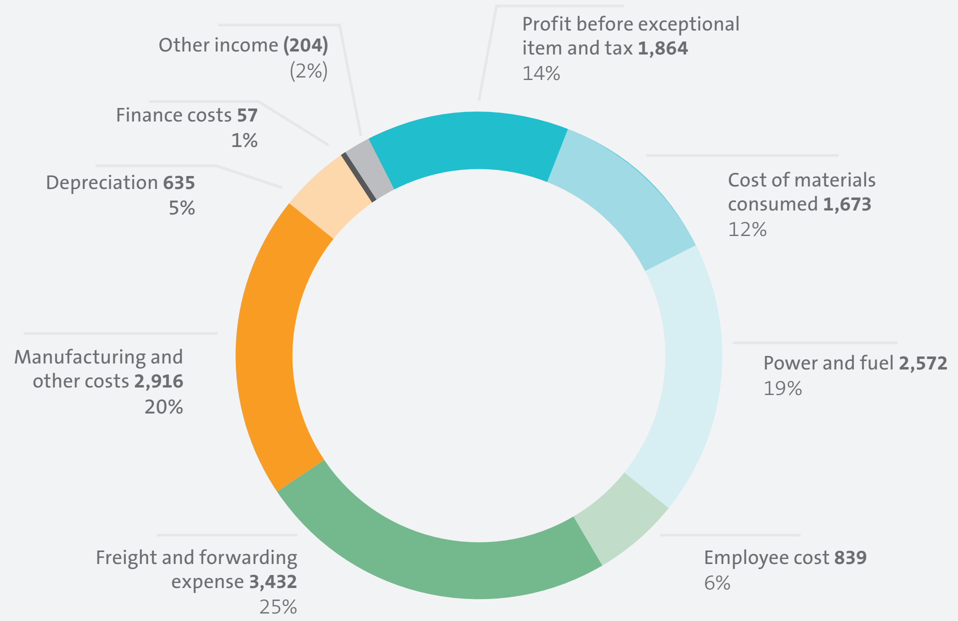
2021

(₹ Crore)



2020

(₹ Crore)



Standalone financial highlights

Particulars	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cement Production (Million Tonne)	26.92	23.77	27.87	28.36	26.56	23.18	23.84	24.24	23.86	24.12
Cement Sales (Million Tonne)	28.89	25.53	28.89	28.37	26.21	22.99	23.62	24.21	23.93	24.11
Capacity utilisation	78%	72%	84%	86%	79%	73%	77%	78%	78%	79%
INCOME STATEMENT – ₹ Crore										
Net Sales	15,814	13,487	15,343	14,477	12,909	10,772	11,433	11,481	10,889	11,130
Operating EBITDA	3,000	2,352*	2,409	2,045	1,909	1,474	1,537	1,507	1,629	2,196
Profit before exceptional items and tax	2,553	1,864	2,031	1,494	1,298	914	937	1,135	1,227	1,787
Profit before tax	2,460	1,688	2,031	1,494	1,298	871	784	1,135	1,227	1,451
Profit after tax	1,820	1,415	1,359	1,507	915	647	592	1,168	1,096	1,061
BALANCE SHEET – ₹ Crore										
Net Worth	14,228	12,661	11,521	10,528	9,365	8,832	8,443	8,236	7,825	7,383
Long-term borrowings	-	-	-	-	-	-	-	-	35	163
Net Fixed Assets (Including CWIP)	7,809	7,074	7,427	7,442	7,503	7,786	7,656	7,513	6,324	6,175
Cash and cash equivalents	7,247	5,735	4,383	2,837	2,527	1,778	1,389	1,686	2,621	3,137
Current Assets	5,815	5,106	5,107	5,711	5,339	3,726	3,609	3,485	3,476	3,098
Current Liabilities	6,308	5,088	4,919	4,834	4,923	4,110	3,893	3,900	3,726	3,863
Capital Employed	14,228	12,661	11,521	10,528	9,365	8,832	8,443	8,236	7,860	7,546
SIGNIFICANT RATIOS										
Operating EBITDA margin	19%	17%	16%	14%	15%	14%	13%	13%	15%	20%
Return on Average Capital Employed	19%	15%	18%	15%	14%	11%	11%	14%	16%	24%
Return on Net Worth	13%	11%	12%	10%	10%	7%	7%	14%	14%	14%
Current Ratio (Times)	0.92	1.00	1.04	1.18	1.08	0.91	0.93	0.89	0.93	0.80
Debt Equity Ratio (Times)	-	-	-	-	-	-	-	-	0.004	0.02
Price Earning Ratio (Times)	22.86	21.56	20.03	27.84	36.08	38.39	43.07	22.56	18.91	25.15
Net worth per share (₹)	758	674	614	561	499	470	450	439	416	393
Dividend per share (₹)	58	14	14	14	26	17	17	34	30	30
Basic Earnings per share (₹)	96.93	75.35	72.36	80.23	48.75	34.46	31.51	62.23	58.36	56.52
Cash Earnings per share (₹)	128.74	118.55	104.47	112.16	82.84	66.69	74.40	91.93	88.93	104.15
CASH FLOWS – ₹ Crore										
Net cash provided by / (used in)										
Operating activities	2,832	2,216	2,248	1,118	1,555	1,381	1,461	1,332	1,056	1,577
Investing activities	(989)	(537)	(328)	(368)	(385)	(539)	(948)	(1,437)	(858)	(311)
Financing activities	(331)	(327)	(374)	(441)	(422)	(420)	(681)	(837)	(834)	(1,066)

* Including charge of ₹129 Crore towards time value of money of Government incentives in 2020.

Notes:

1. Cash and cash equivalents includes cash and bank balances, investment in short-term deposits and mutual funds
2. Cash Earnings Per Share – (Profit after tax + Depreciation) / Number of equity shares
3. Operating EBITDA – Profit from operations before other income, finance costs, depreciation and amortisation expense and exceptional items
4. Return on Average Capital Employed: EBIT/ Average Capital Employed
(Capital Employed: Net worth + Long-term borrowings + Current maturities of Long-Term borrowings)
(EBIT: Profit before exceptional items and tax + interest on long-term borrowings)
5. Return on Net Worth: Profit after tax / Net worth
6. Price Earning Ratio: Market price per share / Basic earnings per share
7. Net Worth Per Share: Net Worth / Number of equity shares
8. Current Assets: Total assets – Net fixed assets – Investments – Investment in short term deposits and mutual funds
9. Current Liabilities: Total liabilities excluding Short-term borrowings – Deferred tax liabilities

Generating growth along the triple bottom line

Sustainable products and focused interventions have helped us reduce the impact of our operations on the environment, make positive contributions to the economy and society and deliver shared value.

CLIMATE CHANGE

Net Zero

Pledge with SBTi validated targets

pg 20

CO-PROCESSING

90,000 Tonnes

Waste utilised across 60+ sites remediating 300+ acres of land

pg 67

5 Lakh+ Tonnes

Industrial, municipal and plastic wastes co-processed

RENEWABLE ENERGY

19 MW

Wind power capacity

82 MWp

Solar energy capacity

7.5 MW

Waste Heat Recovery plant

SAFETY

Zero fatalities

Across our plants and in road transportation

pg 77

0.25

Lost Time Injury Frequency Rate (LTIFR) (↓ 19% vs. 2020)

WASTE TO RESOURCE

Bubble Barrier

Technology introduced for the first time in India to collect waste from rivers for co-processing in our kilns

pg 21

WATER STEWARDSHIP

15.22%

Water treated and reused

pg 70

>3.4 Million m^3

Water harvested, recharged, recycled and reused

SUSTAINABLE PRODUCTS

ECOPact

Green Concrete

pg 10

COMMUNITY DEVELOPMENT

₹35.95 Crore

CSR expenditure

pg 82

5 Lakh+

Beneficiaries of our CSR programmes

150+ villages

And 9 municipal areas benefited by our CSR initiatives

SUSTAINABLE CONSTRUCTION

100

Green building centres and 50 under construction

88,058 MT

Fly-ash utilisation

33,338

House constructions facilitated by GBCs

1,90,792 MT

Conservation of fertile soil

13,429 MT

Reduction in CO_2 emission

A roadmap for creating positive impact

The SD 2030 Plan outlines our agenda for the next decade. The plan rests on four key sustainability pillars – Climate and Energy, Circular Economy, Environment, and People and Community. It focuses on improving sustainability of our operations and developing innovative solutions for better construction. We are conscious of our use of resources and impact on the environment. We enable our people through a safe and progressive work environment. And we support our communities by working together to resolve the challenges they face.

Performance against the SD 2030 Plan

CLIMATE AND ENERGY

Lead Metrics
CO_2 emitted

2021 Performance
488#

2030 Target*
409

(kg/t cementitious material)

SDGs impacted

Objective
Reduction of CO_2 emissions

*SBTi target
specific net emission excluding CPP

CIRCULAR ECONOMY

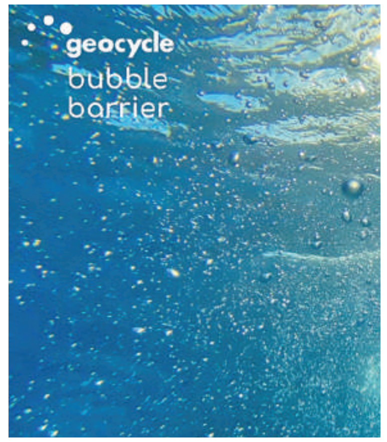
Lead Metrics
Waste reused

2021 Performance
11.36

2030 Target
30

(Million tonnes)

SDGs impacted



Objective
Enhanced reuse of waste-derived resources

ENVIRONMENT

Lead Metrics
Water positivity index

2021 Performance
1.35

2030 Target
5

(No. of times)

SDGs impacted

Objective
Creating a positive impact on environment

PEOPLE AND COMMUNITY

Lead Metrics
No. of new beneficiaries

2021 Performance
0.50

2030 Target
3.5

(Million new beneficiaries)

SDGs impacted

Objective
Creation of shared value

FS1 Committing to landmark climate action

In 2021, we became the first and only Indian cement company to sign the Net Zero pledge. We had our carbon emission reduction targets for 2030 validated by the Science Based Targets Initiative (SBTi). We aim to contribute towards creating a carbon neutral society by 2050 while optimising our value chain practices to progressively reduce environmental impact.

Following in the footsteps of the Holcim Group, which became the first global building materials company to sign the Business Ambition for 1.5°C pledge in 2020, we took up the challenge in 2021. We partnered with the Carbon Disclosure Project (CDP) India's SBTi incubator programme to develop our science-based targets.

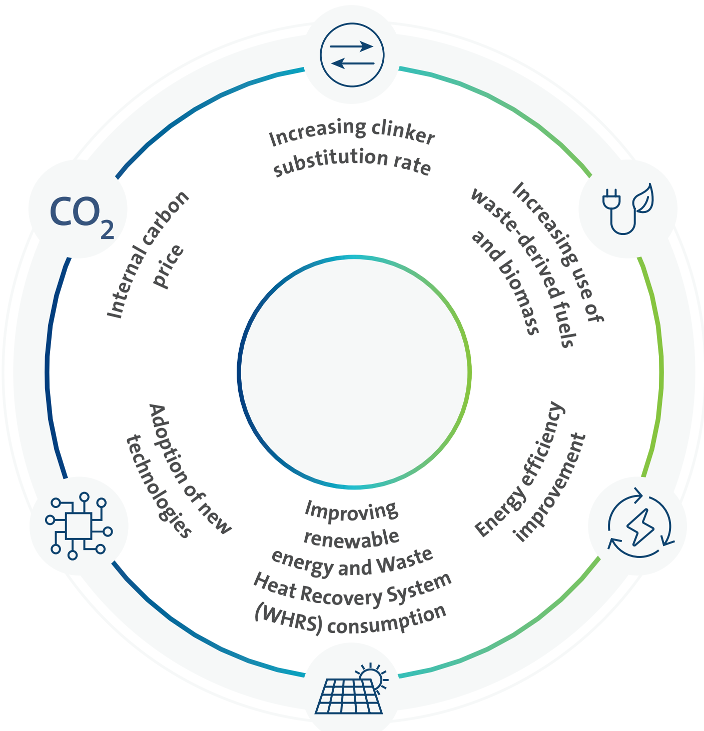
Our aim as per the Net Zero pledge

21.3%
Reduction in Scope 1 GHG emissions per tonne of cementitious material by 2030 from a 2018 base year

48.4%
Reduction in Scope 2 GHG emissions per tonne of cementitious material by 2030 from a 2018 base year

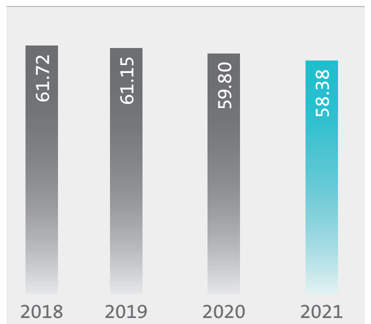
These targets are consistent with reductions required to keep global warming *well below 2°C*. The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Pillars for Net Zero

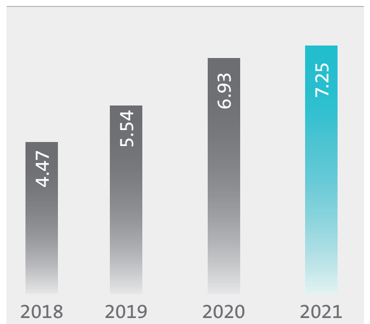


Read about our climate change mitigation efforts on pg 64

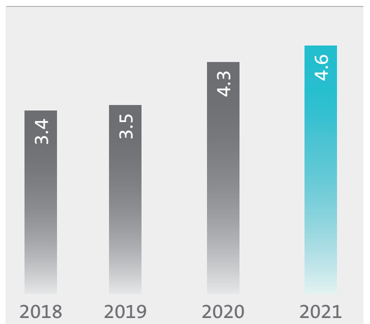
Clinker factor (%)



Thermal Substitution Rate (TSR) (%)



Renewable energy in total power consumption (%)



FS2 Collecting and utilising waste from the rivers

CHANGE THE STORY
ACC Ambuja Cement HOLCIM

Watch our Bubble Barrier technology video here

First time in India: Bubble Barrier technology to utilise plastic waste from rivers

Geocycle India, our in-house waste management arm, is implementing the smart and non-invasive Bubble Barrier technology to collect and co-process plastic waste that clogs India's rivers. In support of the plastic-free Agra mission, Geocycle commissioned its first pilot project in April 2021 in Agra's Mantola Canal, which carries 40% of the city's wastewater. Apart from its historical significance, Agra was also chosen because as a tourism hotspot, it faces a serious challenge of plastic pollution.

Since its inception, the project has prevented 500 tonnes of plastic waste from leaking into Yamuna. The project is expected to collect 2,400 tonnes of plastic from the canal every year. Following the project's success in Agra, we are looking at replicating the project for other major rivers.

Cementing a sustainable future

This year, as we marked our 85th Founder's Day, we strengthened our commitment to building an even better ACC.

Dear Shareholders,

The year 2021 has been challenging for each one of us. The second wave of the COVID-19 pandemic had a significant impact on lives, livelihoods, and business. I would like to start by expressing my deepest appreciation to all, particularly all our front-line workers who have worked tirelessly to ensure the safety of our people and communities.

Indian businesses are slowly gaining steady momentum with increase in capital expenditure, capacity building, good real estate demand, government push for infrastructure spending and the recent launch of Gati Shakti scheme. Tier II and III cities have become front runners in driving demand across sectors. We are finally entering an era of inclusive, bottom-up transformation.

OUR COMMITMENT TO LANDMARK CLIMATE ACTION

Last year, we became the first company in the Indian construction sector to sign the 'Business Ambition for 1.5°C' commitment with 2030 intermediate targets approved by the Science Based Targets initiative (SBTi). ACC partnered with Carbon Disclosure Project (CDP) India's SBTi Incubator Programme to develop its science-based targets. ACC's SBTi approved targets are aligned with the reductions required to limit warming to well below 2°C. We have committed to reduce Scope 1 GHG emissions by 21.3% per tonne of cementitious material and Scope 2 GHG emissions by 48.4% per tonne of cementitious material by 2030, from a 2018 base year.

ACC has also taken several measures to reduce CO_2 emissions, such as reducing the clinker factor, improving Thermal Substitution Rate (TSR), reducing Thermal and Electrical Energy (TEE) intensity, implementing Waste Heat Recovery System (WHRS) and increasing the rate of renewable energy consumption by introducing new technologies.

We are committed to making a tangible difference in the areas of carbon footprint reduction, circular economy, protection of natural resources and welfare of our communities in India. With a clear focus on becoming the most sustainable company, ACC's commitment to the Net Zero road map is visible and on track.

CONSOLIDATING OUR GREEN EFFORTS

Our focus continues to remain on balancing emerging customer needs due to changing climate. Customers today are looking for construction solutions that manage the ambient conditions better. Home builders want added benefits that were traditionally not associated with construction materials. The government is also raising the bar for decarbonisation and 'green products', given India's ambitious target of reducing carbon intensity by less than 45% by 2030.

Last year, with the launch of our new low carbon range of concrete, ECOPact – the Green Concrete, we offer our customers the option to choose low CO_2 concrete. The innovative product range uses CO_2 reduced binders and is manufactured with optimised mix designs to reduce its carbon footprint. We pride ourselves at being innovators, by using the best of science to marry customer needs with environment-centricity. I am happy to share that these efforts have been recognised by CDP, and ACC has received 'A' rating on climate change for its sustainability efforts.

We have also taken the initiative to lead and share sustainability learnings with industry peers. We have been a part of the Cement Sustainability Initiative (CSI) in India, and are now also a part of the Global Cement and Concrete Association (GCCA). All our activities and reporting methodologies associated with initiatives in climate, water, circular economy, and biodiversity align with the GCCA charter, thereby ensuring continuity and uniformity across the sector.

DELIVERING PERFORMANCE IN A CHALLENGING YEAR

This has been a year of recovery and an indicator of the high growth that is waiting to be tapped. On an annualised basis, ACC's performance remained strong and our consolidated EBITDA increased by 27% on a year-on-year basis. This was led by a strong volume growth and focus on Parvat to improve efficiencies across the value chain. Our solutions and innovative 'Green Concrete' products have done excellent business, indicating how customer needs are transforming.

STRONG COMMUNITY RELATIONS FOR INCLUSIVE GROWTH

We continue to drive value creation with a focus on sustainability, innovation, and inclusivity. ACC Trust - our CSR arm continues to work in the areas of quality education, health, sanitation, women empowerment and HIV/AIDS that improve the quality of lives. This year, we have spent ₹35.95 Crore on community development efforts, benefiting more than 5 Lakh people, residing in more than 150 villages in the vicinity of our plants.

OUR FOUNDATION FOR A BETTER TOMORROW

This year, as we marked our 85th Founder's Day, we strengthened our commitment to build an even better Company. ACC has maintained its reputation of being a pioneering brand with a history of 'category-first' innovations that have gone on to set new benchmarks. Optimised and cleaner production methods, a vast range of innovative products, more mainstream use of various circular methods are all trends that will influence and steer our onward journey. This year, we have recommended a dividend of ₹58 per share for shareholders' approval, with a dividend payout ratio of 60%.

We remain indebted to our large family of stakeholders for their unstinting support during these troubled times. As always, their faith makes us stronger and ambitious to achieve more. We remain committed to make an even bigger difference by reimagining and improving our work, investing in our people and cementing a sustainable future.

Best regards,
Narotam Sekhsaria

Robust performance, accelerating transformation

The demand rebound in the sector is mirrored in our strong sales growth, with successful new product launches as well as market acceptance of several of our value-added products.

Dear Shareholders,

I hope you and your families are doing well. My heartfelt gratitude to all our frontline teams who put aside their individual priorities and worked selflessly to help others. We also partnered with the government, medical care facilities and our communities to mobilise all necessary resources to save lives.

MACRO ECONOMY AND HIGH GROWTH PROSPECTS

The cement sector has shown a healthy rebound in 2021. We have witnessed a good demand in rural and semi-urban affordable housing, supplemented by pent-up demand in the urban housing and commercial segments. A prudent budget with a focus on inclusive development, productivity enhancement, energy transition and climate action will help our country transition to the next phase of development. Increased expenditure on infrastructure and capacity building along with the launch of 'Gati Shakti scheme' will further boost demand.

RECOVERY BACKED BY RESILIENCE

ACC's robust performance and results have come with improvements in EBITDA and free cash flows. Despite higher fuel costs, our cost efficiency measures under 'Project Parvat' coupled with gains from numerous sustainability-led initiatives, increased our bottom line growth. The demand rebound in the sector is mirrored in our strong sales growth, and a year of successful new product launches as well as market acceptance of several of our value-added products. Our Ready-Mix (RMX) concrete business is doing well and we expect a strong demand with increase in commercial, industrial and government spend. With healthy returns on a debt-free balance sheet and clearly defined strategic priorities, we continue to increase our outlays in sustainability, growth and efficiency projects.

OUR RELENTLESS FOCUS ON ESG

The world now has a clear view of the social and environmental challenges that we face. The need for action has never been greater. We recognise this and are aware that we, too, have an important role to play towards promoting sustainable living.

SUSTAINABILITY AT THE HEART OF OUR BUSINESS STRATEGY

ACC has its 2030 carbon emission reduction targets endorsed by the Science Based Targets initiative (SBTi). The Company has signed the 'Business Ambition for 1.5°C' pledge and joined the Race to Zero campaign of the United Nations Framework Convention on Climate Change. This makes us the first company in the Indian construction sector to sign the 'Business Ambition for 1.5°C' commitment with 2030 intermediate targets approved by SBTi.

We will continue our proactive approach to developing low carbon products and sustainable solutions. With the launch of ECOPact, customers now have an option to choose concrete based on their desired level of CO_2 reductions and sustainability objectives. We will continue to launch other innovative 'Green Cement' solutions as the sustainability needs of our market evolve and mature.

Green Building Centre (GBC), our unique rural-connect initiative, is a catalyst in rural development and provides our local associates with opportunities for rural entrepreneurship and independence. We are fast ramping up this network, with 100 GBCs fully operational and another 50 to be launched through franchisees.

Our robust partnership with Geocycle has seen seven of our co-processing kilns handle upto 5 Lakh tonnes of waste annually to generate Alternative Fuel Resources (AFR). We were also able to maintain thermal substitution rate of 7.25%. A total WHRS capacity of 38.7 MW will be operational by 2022 and our AFR energy mix, including renewables, is expected to fulfil one-third of our power needs by 2025.

DEVELOPING EQUITABLE AND INCLUSIVE COMMUNITIES

We continue to support our communities through community development initiatives in the areas of Sustainable Livelihoods, Quality of Education and WASH (water, sanitation, health and hygiene). This year, we inaugurated a new DISHA centre at Chaibasa, constructed 25 watershed structures for water conservation in communities. We also supported more than 1,700 women entrepreneurs and 2,300 farmers through our interventions. Despite the challenges, we continue to deliver on our commitment to driving inclusive social growth through our education, health, sanitation and other initiatives.

GOOD GOVERNANCE IS AN ESSENTIAL PART OF OUR BUSINESS

Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. The Board remains the custodian of trust for sustainable long-term wealth creation. We emulate the best practices that are adhered to in the realm of corporate governance globally, and these practices are integrated into our growth strategy. Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests.

DIGITALISATION

Our sustained efforts initiatives around 'Plants of Tomorrow' – application of automation technologies, robotics, artificial intelligence, predictive analysis and maintenance continue to get integrated across all our plants. With the Transport Analytics Center, we have implemented a dashboard on secondary lead analysis and direct dispatch. Our supply chain automation and optimisation exercise built on the Blue Yonder platform started delivering results this year. This has led to better operational planning, leading to increase in sales and profitability. These measures will also reduce our carbon imprint and contribute towards our sustainability targets.

OUR RAZOR SHARP FOCUS ON HEALTH & SAFETY (H&S)

The 'Boots on Ground' initiative of the Company has continued to be an integral part of the H&S governance and assurance system. A health and safety scorecard system was also implemented in 2021 to ensure standard operating procedures were being followed. In 2021, we clocked 10,91,145 hours BOG hours compared to 7,87,233 hours in 2020, boosting employee morale and increase in shop floor engagement.

AIMING FOR A DIVERSE AND INCLUSIVE WORKFORCE

We recognise the value of a diverse workforce. We are committed to providing equal opportunities in employment and creating an inclusive work culture in which all employees are treated with respect, dignity and are able reach their full potential.

ACC has taken steps and emerged stronger during the crisis. As everyone is getting back to business, we are firmly committed to also build a healthier world together. We hope to receive the same level of support from our stakeholders as we invest in growth, innovation and sustainability. My deepest gratitude for all the support and confidence that you have shown in ACC.

Here's wishing every one of you a healthy, safe and fulfilling year ahead.

Regards,
Sridhar Balakrishnan

Creating long-term value at ACC

2021 HIGHLIGHTS

Employees

82,713
Total training hours

4,033
Number of training participants

Communities

₹35.95 Crore
CSR expenditure

5 Lakh +
Beneficiaries through our CSR programmes

100
Green building centres and 50 under construction

Government and local authorities

₹7,042 Crore
Contribution to exchequer

Customers

5
New products launched

Shareholders

60%
Dividend payout ratio

Value creation at ACC

Optimising outcomes, Maximising impact

INPUTS | PROCESSES | VALUE GENERATED | OUTPUTS | OUTCOMES

INPUTS

Natural capital
pg 60

Natural resources impacted by the Company's activities

3.74 Million m³ Total water consumption in cement operations

102 Million units Total green energy consumed

0.57 MT Total waste co-processed

₹148.44 Crore Total expenditure for environment protection

15.22% Water treated and reused in cement operations

0.28 MT Usage of alternative fuels

Intellectual capital
pg 40

Intangible, knowledge-based assets

₹0.63 Crore Total R&D expenditure

Manufactured capital
pg 38

Tangible assets used by the Company to conduct its business initiatives

17 Cement manufacturing facilities

7.5 MW Waste Heat Recovery (WHR)

78 Ready-mix concrete (RMX) plants

19MW Wind energy

82 MWp Solar power

Financial capital
pg 14

Financial resources that the Company already has or obtains through financing

₹14,228 Crore Net worth

Human capital
pg 72

Employee knowledge, skills, experience and motivation

6,082 Employees

4,560 People completing >5 years

Social and relationship capital
pg 82

Ability to share, relate and collaborate with stakeholders, promoting community development and well-being

56,000+ Channel partners

1,589 New dealer

4,698 New retailers

₹35.95 Crore CSR expenditure

425 Suppliers assessed on human rights compliance

PROCESSES

Core activities

Mining → Raw material preparation

INBOUND LOGISTICS

Drying and grinding of raw materials → Clinkerisation

Cement grinding → Packing and dispatch

OUTBOUND LOGISTICS

After-sales service → Sales, marketing and distribution

VALUE GENERATED

For customers

Value to customers by providing high-quality and sustainable products

For our people

We strive to provide equal opportunities to all our employees, ensure capacity building, training, and a safe work environment

For communities around us

We contribute towards improving the living conditions of communities around us through our CSR activities; at the same time we ensure that our production processes do not have any adverse impact on the environment around us

For suppliers

We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications

For providers of financial capital

We deliver consistent, profitable and responsible growth

Stakeholder engagement
pg 32

OUTPUTS

26.92 MT Cement production across grades and quality

Waste generated

79,372 Litres Waste oil

13,550.8 tonnes Steel scrap waste

OUTCOMES

1% Reduction in specific CO_2 emissions

25% Reduction in specific NOx emissions

10% Reduction in specific water consumption in cement operations

5 Number of new products introduced

20% Revenue of Solutions and Products business segment from new products

1.4 MTPA New cement capacity addition

78% Average capacity utilisation of plants

1.41% Average clinker factor reduction (2021 over 2020)

₹15,814 Crore Net Sales

₹3,000 Crore EBITDA

₹2,460 Crore Profit Before Tax

₹41,609 Crore Market capitalisation

19% Return on Capital Employed (RoCE)

₹1,820 Crore Profit After Tax

0.26 Productivity per employee Tonnes/ Full-Time Employees(FTE)

0.25 LTIFR

Zero Fatality

611 New joinees during the year

93% Employee retention rate

4,033 Number of employees trained

>5,00,000 lives Impacted

Operating environment

Secular trends transforming the sector

Increased demand from sectors such as housing, commercial and industrial construction, backed by government policy support could lead to a boom in cement demand in India. But we are also aware environmental regulation and sustainability concerns are also impacting the industry. As a market leader, we are creating new benchmarks that could transform the entire value chain of building materials and lead to greener structures of tomorrow.

India's cement industry is the second largest in the world, accounting for over 7% of the global installed capacity of cement. Cement production in India reached 345 MT in Calendar Year (CY) 2021 and is projected to reach 370 MT in CY 2022. Yet, the per capita consumption of cement in India is low at 242 kg compared to the world average of 500 kg.

CAPEX LED GROWTH

The Union Budget 2022-23 reiterated its thrust on affordable housing and public investments in core infrastructure sectors, which bodes well for cement demand. The Government has set a target of completing the construction of 8 Million houses under Pradhan Mantri Awas Yojana and 25,000 km of highways and roads during FY23. Special focus has been given to multi-modal logistics and development of cargo terminals, with infrastructure status being accorded to data centres and energy storage systems.

INFRASTRUCTURE PUSH

The budgeted outlay on overall capital expenditure has increased by a healthy 17% YoY, with core infrastructure sector higher by 10%. The Government has set an ambitious target to construct 25,000 kms of highways and roads in FY23.

7%
Estimated growth in cement demand in CY 2022 (YoY)

DIGITALISATION AND SUSTAINABILITY

These two trends are powerfully impacting the cement industry, leading not only to more green products but also cement plants of the future with low operating costs, increased margins and low carbon footprint. According to McKinsey[1] report, cement plants of the future could reduce emissions by upto 75% by 2050.

DEMAND FROM THE CONSTRUCTION SECTOR

The allotment of ₹48,000 Crore for the completion of 80 Lakh houses this year under the PM Awas Yojana (PMAY) will further boost the affordable housing segment. The PMAY scheme has delivered 53.42 Lakh households as of February 1, 2022. Strong growth in rural housing and low-cost housing is also expected to amplify demand, while demand in Tier II cities can improve with increased construction of commercial centres and office spaces.

BETTER PRODUCT INNOVATION

Growing environmental consciousness is creating a preference for green cement, which is produced through carbon-negative manufacturing techniques. The market is also getting increasingly segmented into different product types such as blended, Portland and other categories, with a growing preference for blended categories for their low water use, durability, workability and low crack formation. There is a surging demand for blended cement from both the residential and non-residential sectors.

Our endeavours

With cement demand projected to increase in India, we have increased our production capacity, particularly in the profitable central region of India

Our strong network has been instrumental in driving our retail portfolio, which contributes over 79% of revenue

We are creating exemplary standards for the industry through our sustainability drive in alignment with international development goals

We are creating effective low-carbon products that are not only enhancing customer choices, shaping new demands but also leading the path towards a more sustainable future

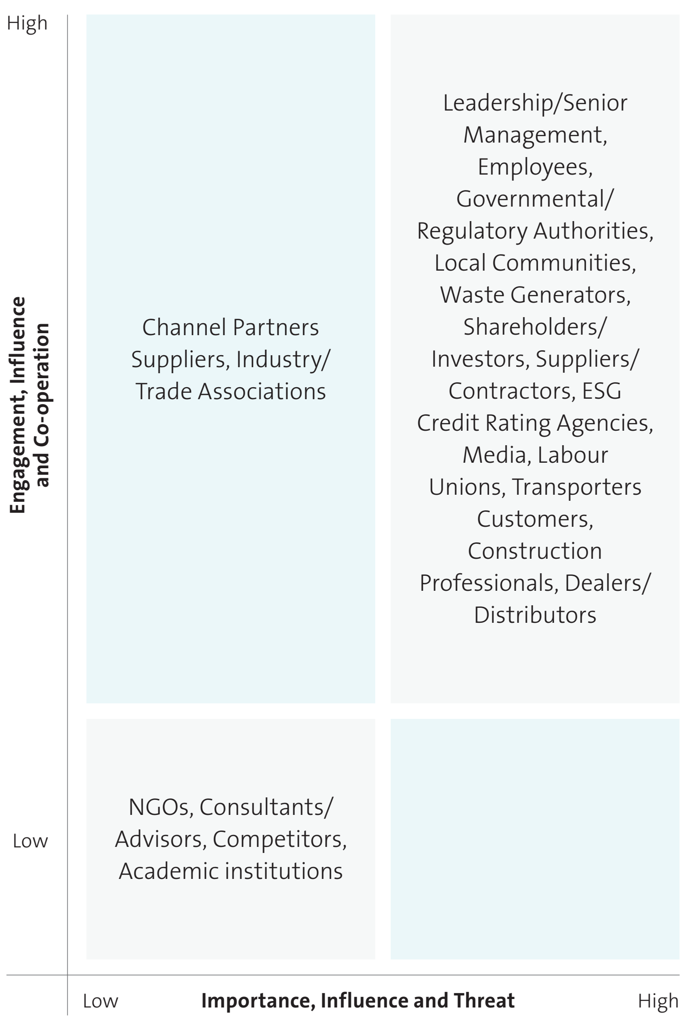
[1] https://www.mckinsey.com/industries/chemicals/our-insights/the-21st-century-cement-plant-greener-and-more-connected

Enhancing stakeholder value

We forge a deep connect with our stakeholders and respond to their abiding interests as well as changing needs. These engagements shape the way we think, act and create value. We have evolved a planned mechanism of engagement ensuring consistent and timely communication of relevant information to each stakeholder group.

STAKEHOLDER IDENTIFICATION

We conduct regular stakeholder analysis to identify relevant and important stakeholders of the organisation, map their interface, and influence and prioritise them. The priority matrix and engagement mechanisms have been provided here.



Stakeholder groups	Role/Importance	Mode of engagement		Value created
Employees	Our employees underpin our operational performance and strategic objectives	• Town Hall meetings and webcasts • Intranet portal, Newsletter • Cultural events • Safety committees and toolbox talks	• Trainings and performance management system • Reporting mechanisms	**82,713 hours** Total training hours **4,033** Number of participants
Government/ Regulators/ Local Authorities	Key for ensuring compliance, interpretation of regulations and key to uninterrupted operations	• Meetings, presentation, reports and networking in different forums organised by regulatory authorities	• Regular visits and applications • Presentations from the management	**₹ 7,042 Crore** Contribution to exchequer
Channel Partners – Dealers and Retailers	They are a key influence on how we operate our business; we seek a relationship of mutual benefit while expecting high standards of conduct	• Sales calls • Loyalty programme Lakshya • Dealer meets • Annual dealer conference • Sambandh, a bi-monthly newsletter	• Relationship-building activities such as meets, events and engagements • Net Promoter Score (NPS) surveys	**ACC Premier league** is an event where the Company engages with dealers and felicitates top dealers pg 88
Consumers (Trade) – Individual Home Builders and Contractors	Consumers are key stakeholders as they are direct users of our products. Consumer feedback, or as we call it, the Voice of Consumer, is key to maintaining brand reputation and steady cash flows	• Calls/visits by customer service • Engineers • Consumer meets and exhibitions	• Information on ACC products • Complaint and feedback mechanism • Advice on good construction practices	**5** New products launched, including White adhesive for marbles & natural stones, Self curing plaster, Polymer modified mortar, Concrete admixture, Industrial Grout 75 Mpa
Consumers (Institutional)	Our institutional consumers sustain revenue generation and growth	• One-to-one sales calls • Technical after sales service	• Key account management system	
Communities	A harmonious relation with the communities where we have our assets is essential to our social licence to operate. They are partners in our progress and are crucial to our operations	• CSR interventions and volunteering • Volunteering initiatives • Community events and functions	• Stakeholder engagement surveys and community advisory panel meetings • Social audits	**₹35.95 Crore** CSR expenditure **5 Lakh+** Beneficiaries through our CSR programmes
Investors	As providers of capital, they are key stakeholders in our growth and expansion plans	• Stakeholders' Relationship Committee to address grievances of investors and shareholders	• Annual General Meetings • Email ID and toll-free number for investors	**60%** Dividend payout ratio
Vendors and Suppliers	Our operations are closely linked with the timely availability of supplies, quality of raw materials and services that we source. These, in turn, have a material impact on the efficiency of the production process	• By phone, VC, e-mail or in person • Suppliers' meet	• Capacity building on supplier code of conduct • Surveys	**6,643** Active suppliers and contractors **200** Key supplier engagements include suppliers visiting plants and also VC calls conducted
Waste Generators	Help in reducing the environmental impact of our operations and products, minimising our ecological footprint and, in turn, decreasing our operational cost	• Participation in various forums, release of case studies and articles in reputed publications	• Regular visits, e-mails and telephonic conversations • Customer events • Geocycle Week	**0.57 MT** Waste co-processed
Trade Associations and Industrial Bodies	We develop constructive relationships with policymakers and regulators. We respond and engage with the government during public consultations on issues that are relevant to our business	• Sharing best practices and benchmarks	• Participating in regional and national events/conclaves of industry bodies	**9** Industry-association partnerships
Media	Improving understanding of the industry's positive impact on sustainability and climate change and the drivers for further development	• Press releases • Publishing articles and news	• Meetings and interviews	**1,237** Media clippings

Assessing issues integral to value creation

Materiality assessment incorporates and prioritises stakeholder views on key issues that impact our business. It provides an opportunity to analyse our business, risk management and growth opportunities through the sustainability lens.

Our key material matters have remained similar over the years barring changes in the external environment. We incorporate these material matters into our strategy development, governance and disclosures while managing these issues in the short, medium and long term. We have used our material matters to drawn up the targets of our SD 2030 Plan.

2021 MATERIALITY ASSESSMENT

This year, we conducted materiality assessment following detailed stakeholder engagement. We reached out to employees, senior management, government and regulatory authorities, shareholders and investors, suppliers and contractors, local communities, customers, industry and trade associations, media, dealers and distributors, construction professionals, ESG credit rating agencies, labour unions, transporters, and waste generators and received 1,591 responses.

MATERIALITY MATRIX

The material topics in the matrix are arrived at through stakeholder consultation and business impact in consultation with the senior management of the organisation.

MATERIAL TOPICS

Internal

1. Product quality and innovation (S3)
2. Employee development (S1) (S2) (S3)
3. Mental health & well-being
4. Operational efficiency
5. Talent attraction & retention
6. Cyber security
7. Branding & reputation
8. Digitisation
9. Non-discrimination
10. Tax strategy and reporting
11. Diversity and inclusion

Internal and External

12. Economic performance (S1) (S3)
13. Indirect economic impacts
14. Land acquisition for mines and new plants
15. Supply chain
16. Customer relationship management
17. Sustainable construction
18. Corporate governance (G)
19. Risk management
20. Emissions (S2)
21. Climate & energy (S2)
22. Circular economy (S2)
23. Bio diversity
24. Water (S2)
25. Procurement practices
26. Anti-bribery and Corruption
27. Emergency preparedness and response
28. Human rights
29. Anti-competitive behaviour

External

30. Regulatory compliance (S1) (S2) (S3)
31. Transportation and logistics
32. Occupational health & safety (S2) (S3)
33. Public policy and advocacy
34. Corporate social responsibility (S2)
35. Relocation and rehabilitation
36. Labour management

(S1) Accelerating growth
(S2) Leading in sustainability and innovation
(S3) Delivering superior performance
(G) Governance
Most critical issues
Less critical issues

Charting the path of sustainable and inclusive growth

Our strategy aims to provide best-in-class products and services to our customers and delivering strong and sustainable returns to our stakeholders. It lays down a strong foundation for our next phase of growth through capacity expansion, operational excellence, product leadership and sustainable operations. Our SD 2030 Plan is an integral part of our strategy implementation.

Strategic objectives	KPIs	Goals for 2022	Capitals impacted
S1 **Accelerating growth** Profitable growth with capacity expansions in a growing market pg 38	• Capacity increase (MT) • Cost of expansion • Average capital utilisation • Project execution time • Growth in cement and RMX production	• Leverage capacity to enhance value creation and to meet growing customer demand • Commission Ametha and Tikaria projects successfully • Add ~20% RMX capacity through plant expansions and covering more Indian cities	
S2 **Leading in sustainability and innovation** Innovating to accelerate green growth pg 40	• Percentage of sales and growth of green products & solutions • Specific CO_2 emissions intensity • Share of green power in overall portfolio • Waste-derived resources used • Thermal Substitution Rate (TSR) • Reduction of specific freshwater consumption • CSR spend, beneficiaries and impact	• Making sustainability central to everything we do • Strengthen our sustainable product portfolio • Drive innovation to offer best-in-class products and services to consumers • Scale up the Green Concrete, ECOPact • Improve ESG ratings • Promote strong ethical, environmental and CSR principles • Progress towards achieving SD 2030 Plan	
S3 **Delivering superior performance** Target best-in-class profitability and performance pg 42	• Earnings Before Interest and Taxes (EBIT) • EBIT margin • Free Cash Flow (FCF) • Returns generated on capital employed (ROCE) • Cost reduction through Project 'Parvat' • Share of premium products in cement • Share of value-added products and services in RMX • Investment in efficiency initiatives • Scaling up digital journey • Talent management practices	• Expansion of margins • Strong cash conversion • Invest in key priorities of capacity, sustainability and efficiency • Improve operational efficiency across the organisation under Project 'Parvat' • Strengthen premiumisation journey across cement and RMX • Become industry leader in digitalisation initiatives • Continued focus on performance management and people development to create a future-ready organisation • Enhance Brand Equity	

S1 Accelerating growth

To sustain our profitable growth journey, we continue to focus on capacity expansion in sync with growing market demand. Capacity utilisation and enhancing our brand equity through digital outreach, targeted marketing and sustainability initiatives also form an integral part of this strategy.

Material issues addressed

12 13 14 16 21 32

SDGs impacted

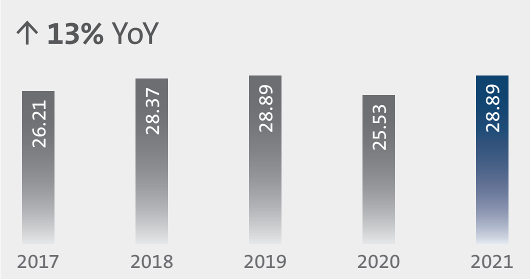
This year, we increased our capacity to 34.45 MTPA of cement on the successful commissioning of a new grinding unit at Sindri in Jharkhand. Our ongoing project at Ametha, Madhya Pradesh is progressing well, while the split cement grinding unit at Tikaria, Uttar Pradesh is ahead of schedule. The land acquisition for our greenfield cement grinding unit in Sonebhadra District, Uttar Pradesh, is at an advanced stage and work is expected to commence in 2022. We are identifying debottlenecking opportunities in all our existing plants to drive higher capacity utilisation.

We plan to increase our Ready-Mix Concrete (RMX) capacity by ~20% through increase in coverage of Indian cities. We also aim to expand our portfolio of value added services.

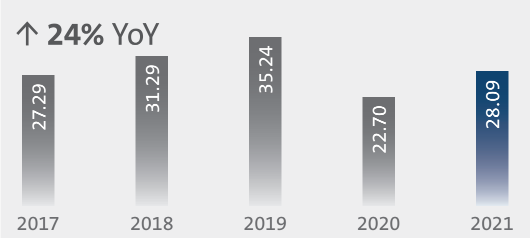
In Solution & Products (S&P) business, we are targeting to increase top line by more than 30% in 2022 driven by growth in retail, B2B projects and admixture segments. We plan to expand our manufacturing footprint for construction chemicals/admixture range and dry mortars.

OPERATIONAL PERFORMANCE HIGHLIGHTS

Cement sales volume (MT)



Concrete production volume RMX (Lakh m³)



KEY EXPANSION PROJECTS

Name of project/plant	Details of capacity addition	Expansion/ Green field	Year of commissioning	Cement Capacity addition (MTPA)
Sindri, Jharkhand	Cement grinding 1.4 MTPA	Expansion	2021	1.4
Total cement capacity addition				**1.4 MTPA**

12 Economic performance, 13 Indirect economic impacts, 14 Land acquisition for mines and new plants 16 Customer relationship management 21 Climate & Energy 32 Occupational health & safety

ONGOING CAPACITY EXPANSION PROJECTS

Name of project/plant	Details of capacity addition	Brownfield/ Green field	Progress/ Commissioning time	Cement Capacity addition (MTPA)
Tikaria, Uttar Pradesh	Cement 1.6 MTPA	Brownfield	Q1 2022	1.6
Ametha Integrated Project, Madhya Pradesh	Clinker 2.7 MTPA and Cement 1.0 MTPA	Greenfield	Q2 2022	1.0
Salai Banwa Grinding Unit	Cement 2.2 MTPA	Greenfield	Project on track	2.2
Total cement capacity addition				**4.8 MTPA**

Braving the challenges to commission the Sindri plant within 9 months

The Sindri plant construction was met with several pandemic-related challenges. Despite logistics delays and a nationwide lockdown that led to mass demobilisation of the construction workforce, the project was effectively executed within nine months. We consistently worked with our construction partners for a planned phase-wise remobilisation of the workforce and implementation of remote supervision. Regular inspection as well as training of the workforce were carried out. The efficient execution of the project helped us achieve 'Zero harm, Zero Non-Conformances Reported (NCR)' within the budgeted cost and schedule.

CONTINUE TO STRENGTHEN BRAND

Digitalisation

Atoot Bandhan App

Expanding Digital

ACCHELP.in

Marketing and Innovation

Karein kuch kamaal

Bubble Barrier Technology

Sustainability

Saliency with BCCI - LBnW*

Watch video here

Houses of Tomorrow

ECOPact

* Leave Behind no Waste

S2 Leading in sustainability and innovation

We are the first Indian cement company to take the Net Zero pledge. Our portfolio of 90% blended cement and carbon-neutral concrete solutions enable us in creating a market for low carbon products. Our strategy is to become the industry leader through our sustainability initiatives and innovation capability.

Material issues addressed

21 22 23 32

SDGs impacted

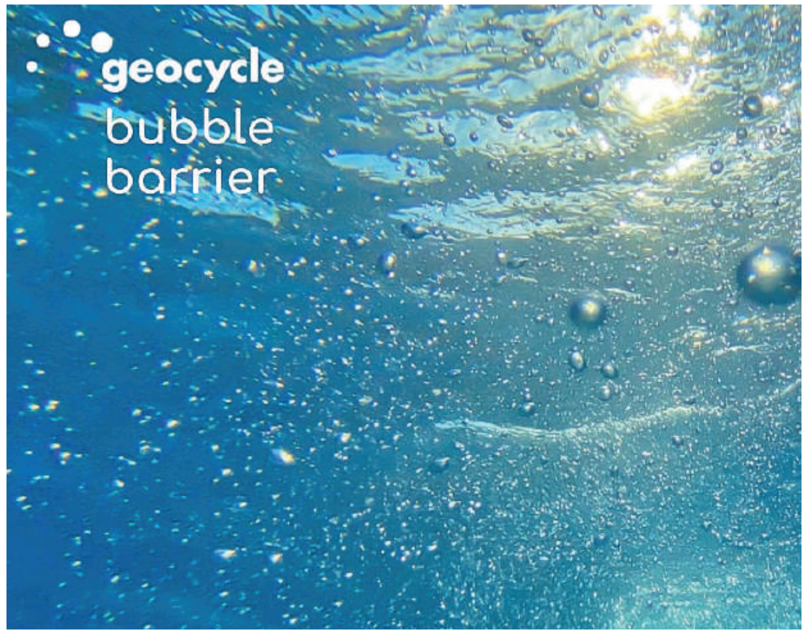
Our 2030 carbon emission reduction targets are validated by the Science Based Targets initiative (SBTi). We have signed the 'Business Ambition for 1.5°C' pledge and joined the Race to Zero campaign of the United Nations Framework Convention on Climate Change. These commitments will help us drive the decarbonisation of our production further. Our portfolio of 90% blended cement and carbon-neutral concrete solutions enable us in creating a market for low-carbon products. In 2021, we introduced the ECOPact range of green concrete for sustainable construction. We are progressively reducing our carbon footprint through the 'Net Zero' pathway - increasing clinker substitution rate, Increasing use of waste-derived fuels and biomass, energy efficiency and improvement, improving renewable energy and waste heat recovery consumption, adoption of new technologies, and setting an internal carbon price.

pg 18

PIONEERING EFFORTS

As a first in India, we implemented the Bubble Barrier technology on river Yamuna to collect and utilise waste from the river for co-processing in our kilns. We have a strong campaign against plastic waste and are helping various state governments manage this complex issue. We are investing in increasing water availability for the communities around our operations. Our environmental stewardship and focus on inclusive social growth attest to our sustainability commitment.

pg 21



A rating

From Carbon Disclosure Project (CDP) for Climate change disclosure

21 Climate & Energy 22 Circular Economy 23 Bio diversity 32 Occupational health & safety

2021 HIGHLIGHTS

11.36 MT
Waste-derived resources used

102 Million units
Total green energy consumption

25%
Decrease in specific NOx emissions

1,53,92,785 tCO_2e
Scope 1 emissions

10%
Reduction in specific water consumption

6,66,157 tCO_2e
Scope 2 emissions

₹35.95 Crore
CSR spent in 166 villages, reaching 5 Lakh+ beneficiaries.

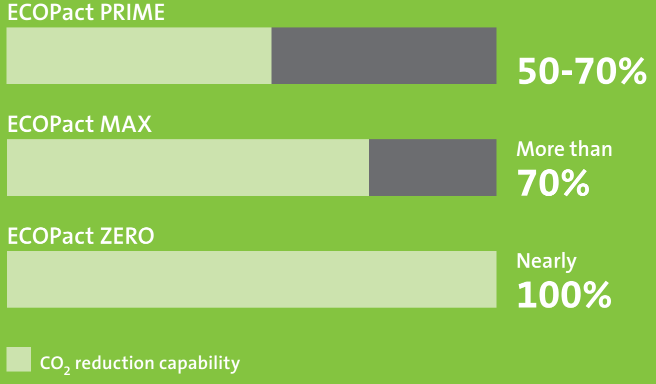
23,99,656 tCO_2e
Scope 3 emissions

With ECOPact range, we move a step closer to our Net Zero commitment

ECOPact performance in India

ECOPact, Holcim's range of low-carbon footprint concrete, has a lower embedded carbon content compared to concrete designed with Ordinary Portland Cement (OPC). The range uses CO_2 reduced binders and is manufactured with optimised mix designs to reduce its carbon footprint. It offers superior durability and finish in comparison to conventional concrete. ECOPact products are suitable for all structural components – from foundations to roof, including columns, beams, slabs, external or internal walls, driveways, walkways and more.

ECOPACT range products



S3 Delivering superior performance

With this strategy, we aim to continue delivering superlative business results while bringing superior products to the market and contributing to nation-building. This lever focuses on enhancing the performance of our existing portfolio, improving our cost efficiency, strengthening our people capabilities and main-streaming digitalisation to drive greater efficiencies.

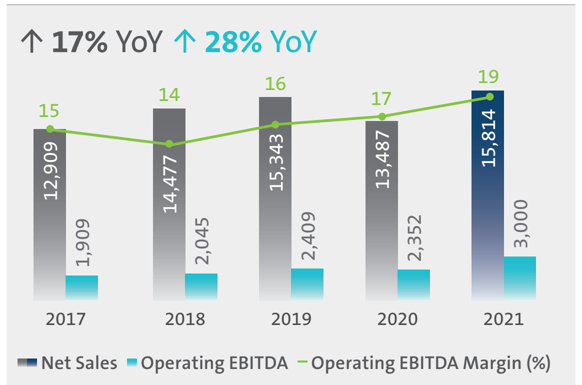
Material issues addressed

12 21

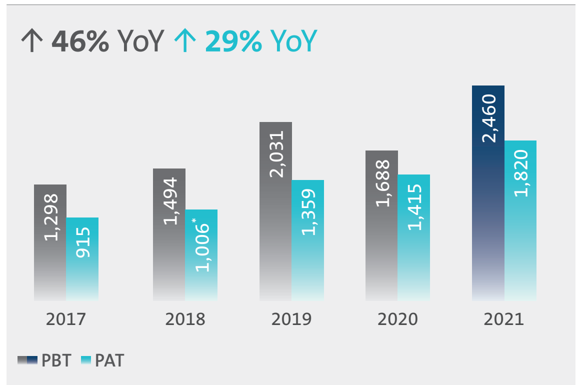
SDGs impacted

PERFORMANCE DURING THE YEAR

Net Sales, Operating EBITDA & Operating EBITDA Margin (₹ Crore)



Profit Before Tax (PBT) & Profit After Tax (PAT) (₹ Crore)



*Excludes write-back of ₹501 Crore related to tax provision

CREDIT RATINGS 2021

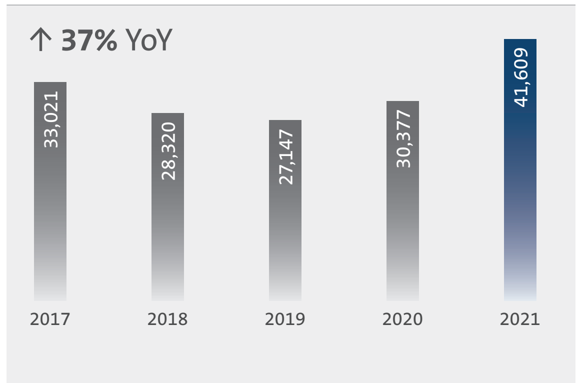
Fund Based

Non-Fund Based

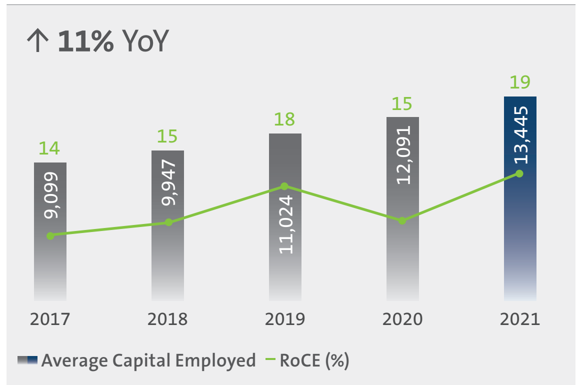
CRISIL AAA/Stable

CRISIL A1+

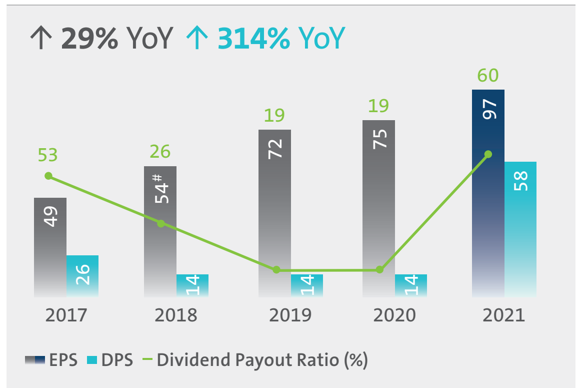
Market Capitalisation (₹ Crore)



Average Capital Employed & Return on Capital Employed (RoCE) (₹ Crore)



Dividend Per Share, Earnings Per Share and Dividend Payout Ratio (₹ per share)



EPS is calculated excluding write-back of tax provision

Our ongoing efficiency projects:

Waste Heat Recovery system (WHRS) projects comprising 10 MW at Jamul in Chhattisgarh and 12.4 MW at Kymore in Madhya Pradesh are on track for completion in Q2 Financial Year 2022

Fly-ash dryer projects at Kymore, Gagal & Wadi are also on track for completion by Q3 2022

Ametha WHRS project of 16.3 MW has been initiated and is expected to be completed by Q4 Financial Year 2022. A total capacity of 38.7 MW of WHRS will be operational by 2022

The Geocycle project at Chanda became operational during the year. The projects at Jamul and Kymore are under progress and on track for completion in 2022. These projects help us deliver planned Thermal Substitution Rate (TSR) through co-processing of waste

12 Economic performance 21 Climate & Energy

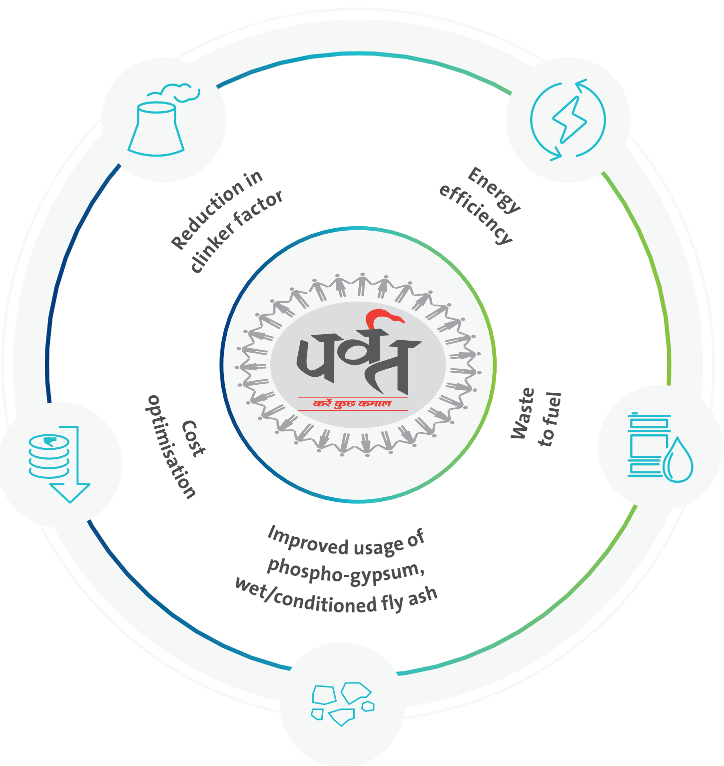
COST EFFICIENCY INITIATIVE: PARVAT PROGRAMME

Parvat is an efficiency optimisation programme initiated in 2019 to bring radical change in the cost structure and improve delivered cost.

In 2021, we drove cost efficiencies across the value chain to negotiate cost headwinds. Various projects were undertaken across plants to bring in efficiencies in our manufacturing processes. Thanks to Parvat, we have been able to maintain flat logistics cost in comparison to the previous year.

We also conducted numerous workshops and brainstorming sessions at all our plants across the country. Simultaneously, the leadership team visited different plants to explain the underlying intent and the overarching objective of 'Parvat' to our people.

Cost reduction measures under Project Parvat



Community of Practices

At ACC, we have always emphasised the need to work smart and leverage each other's knowledge and capabilities. To encourage replicating best practices across different plants, the 'Copy with Pride' programme was launched this year. A Best Practices Library has been developed consisting of shortlisted best practices applicable to multiple plants.

There are 6 Community of Practices (CoPs) actively driving adoption of best practices

- CoP Mines
- CoP Raw Meal
- CoP Pyro Section
- CoP Cement Grinding
- CoP Packing
- CoP Captive Power Plants

The members of a CoP are the functional heads of similar area from each plant who meet on a weekly basis to discuss challenges in their areas and share best practices from their respective plants.

ACC Parvat Championship

This year, we organised the first Annual ACC Parvat Championship. The event saw more than 500 initiatives contesting for the top honours. The best projects across plants were rewarded with a prize during this ceremony.

500
Initiatives implemented

LEVERAGING DIGITALISATION TO BRING EFFICIENCIES

Digitalisation is a key lever that is driving superior performance at our existing assets. We are ramping up the use of digital technologies in manufacturing, logistics, sourcing and in improving customer engagement. Through 'Plants of Tomorrow', we are future-proofing ourselves with the adoption of Internet of Things (IoT), artificial intelligence and machine learning. We are facilitating rapid deployment of predictive models and seamless connectivity by using data collected from our plants. The digitalisation of the supply chain will help us further optimise logistics and sourcing.

Digitalisation efforts across functions

Plants of Tomorrow

- Technical Information System (TIS), Performance and Collaboration Tool (PACT), EDGE AI
- Advanced Data Analytics
- Digital Eye
- Mines of Tomorrow

Logistics & Sourcing

- Transport Analytics Center (TAC)
- E-Tendering and Reverse Auction Tool
- Supplier Platform
- Blue Yonder

Commercial

- Dealer Connect App
- Concrete Direct App
- Revenue Management
- Sales Force Automation

How drones are changing the way we operate

We are increasingly using drones to monitor spaces that are high risk and hard to reach, such as pre-heater cyclones, chimneys and silo inspections. Critical reliability inspections can now be conducted with zero risk of human exposure to harsh conditions within limited time.

Corporate Governance

2021 HIGHLIGHTS

50%
Independent Directors

5.52 years
Average tenure of the Board of Directors

33.33%
Minimum attendance in Board meetings as mandated by law

91.67%
Average attendance in Board meetings

83%
Indian National Directors

17%
Foreign National Directors

Governance

Ensuring ethical business practices

At ACC, good governance forms the bedrock of our business. We are advised by an active, experienced and a well-informed Board and have a strong risk management framework along with relevant policies and procedures to ensure transparency and accountability.

Our core principles of governance

ENSURING GOVERNANCE

We conduct our business in alignment with the highest standards of business ethics. Our values underpin our commitment to be an equal opportunity employer ensuring respect, dignity, fairness and human rights for all our employees. All aspects of the human rights are built into and covered under the Code of Business Conduct as well as by various human resource practices and policies.

INTERNAL CONTROL FRAMEWORK

We have put in place an adequate internal control system to safeguard all our assets and ensure operational excellence. Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The framework also diligently records all transaction details and ensures regulatory compliance. We have well-established risk management processes embedded within the business that enable us to identify, evaluate, record, and monitor significant risks.

ACCOUNTABILITY AND TRANSPARENCY

The Board commits to providing reliable and comprehensive financial and non-financial reporting accompanied by a robust feedback mechanism. We align with global best practices relating to disclosures and subject ourselves to internal and/or external assurance and governance procedures.

BOARD'S ROLE IN DELIVERING STRATEGIC OBJECTIVES

The ACC Board possesses requisite qualifications, experience and expertise in the fields of manufacturing/ cement manufacturing, finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, investments, mining and mineral industries and e-commerce. It plays a significant role in strategy formulation. The Board meets periodically to discuss the strategic roadmap and other relevant topics such as Environment, Social and Governance (ESG), succession planning, talent, etc. and provides insights, suggestions and guidance to the management.

Memberships and collaborations

Various bodies with which ACC is associated are:

- Global Cement and Concrete Association India (GCCA)
- Confederation of Indian Industry (CII)
- National Safety Council
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Bombay Chamber of Commerce & Industry (BCCI)
- Indian Merchants' Chamber (IMC)
- Indian Green Buildings Council (IGBC)
- Cement Manufacturing Association (CMA)
- Swiss India Chambers of Commerce (SICC)

Supported by strong internal processes and systems

At ACC, compliance is more than a legal requirement. We have zero tolerance towards corruption and ensure ethical conduct and fair competition through a gamut of policies and set processes and procedures. The Executive management regularly reviews progress on compliance and the effectiveness of internal processes.

RELATED PARTY TRANSACTIONS

All transactions of the Company entered into with related parties during the year under review were in the ordinary course of business and on an arm's length pricing basis.

STRICTURES AND PENALTIES

No strictures or penalties were imposed on the Company by the stock exchanges or by the Securities and Exchange Board of India (SEBI) or by any other statutory authority on any matter related to the capital markets during the last three (3) years.

FAIR COMPETITION DIRECTIVE PROGRAMME AND WHISTLE-BLOWER POLICY

The Fair Competition Directive programme, earlier known as Value Creation in Competitive Environment (VCCE), was introduced in 2008 and since then, we have been carrying out extensive training sessions annually for creating awareness among our employees on fair competitive practices. Employees in Sales and Purchase and other relevant functions also receive training on Competition Law and on behavioural aspects for ensuring fair competition in the marketplace.

We have an Ethical View Reporting (EVR) policy to deal with instances of fraud, mismanagement and unethical behaviour, if any. The EVR policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no one faces discrimination of any sort. A dedicated ACC Ethics Helpline has been set up and it is managed by an independent professional organisation.

Details of the EVR policy can be accessed on the Company's website at https://acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf

Employees receive extensive training through e-learning modules and face-to-face sessions to create increased awareness about ACC's Fair Competition Directive and Anti- Bribery and Corruption Directive (ABCD).

In 2021, the Company received 128 complaints under the EVR policy, out of which 88 were resolved and the balance 40 complaints are under various stages of investigation and completion.

DONATIONS AND POLITICAL CONTRIBUTIONS

As a Company, we are politically neutral, as emphasised in our Code of Business Conduct. ACC avoids political donations, campaigns and promotions of a political nature and we request our employees to observe strict neutrality.

FAIR COMPETITION

We regularly organise Fair Competition training sessions on Competition Law for relevant employees, with a special focus on functions such as Sales, Marketing and Procurement, among others. The purpose of this training is to create awareness on various aspects of compliance with the Competition Law and facilitate risk mitigation.

COMPETITION LAW COMPLIANCE

Apart from the face-to-face training sessions, e-learning modules are also rolled out to ensure better understanding of Competition Law compliance. We have implemented various policies of the Holcim Company and the Group, including the Commercial Documentation Directive on Competition Law, to ensure awareness. We regularly review these as part of our risk mitigation strategy. We undertake both internal and external audit of the process to identify gaps, if any, and accordingly, take corrective action.

Visionary leadership for sustainable growth

Mr N S Sekhsaria
Non-Executive and Non-Independent Director

N SC

Qualifications: Bachelor's Degree in Chemical Engineering from University of Mumbai (erstwhile Bombay)

Mr Jan Jenisch
Non-Executive and Non-Independent Director

Qualifications: Bachelor's Degree from University of Fribourg and a qualified MBA

Mr Martin Kriegner
Non-Executive and Non-Independent Director

A N SC

Qualifications: Graduated from Vienna University with Doctorate in Law and MBA from University of Economics in Vienna

Mr Sridhar Balakrishnan
Managing Director & Chief Executive Officer

S SC R C CSR

Qualifications: Engineering graduate from Indian Institute of Technology (IIT-BHU), Varanasi and Diploma in Business Management from XLRI, Jamshedpur

Mr Neeraj Akhoury
Non-Executive and Non-Independent Director

CSR

Qualifications: Bachelor's Degree in Economics and MBA from University of Liverpool, General Management from XLRI, Jamshedpur and alumni of Harvard Business School (GMP)

Ms Falguni Nayar
Non-Executive and Independent Director

R CSR

Qualifications: Graduate from Sydenham College of Commerce and Economics; postgraduate from Indian Institute of Management, Ahmedabad

Chairman Member

N Nomination and Remuneration Committee

SC Sustainability Committee

A Audit Committee

S Stakeholders' Relationship Committee

R Risk Management Committee

CSR Corporate Social Responsibility Committee

C Compliance Committee

As the CSR & Sustainability Committee of the Company is split into two separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022, the Membership/Chairmanship of the Directors in Sustainability Committee is with effect from January 1, 2022

Mr Vinayak Chatterjee
Non-Executive and Independent Director

A N SC

Qualifications: Economics (Hons) from St. Stephen's College, Delhi University and an alumni of Indian Institute of Management, Ahmedabad

Mr Shailesh Haribhakti
Non-Executive and Independent Director

N CSR S R C

Qualifications: Chartered Accountant, Cost Accountant, Certified Internal Auditor, Financial Planner and Fraud Examiner

Mr S K Roongta
Non-Executive and Independent Director

C A R SC N

Qualifications: Bachelor of Engineering from the Birla Institute of Technology & Science (BITS), Pilani and PG Diploma in Business Management-International Trade from IIFT, New Delhi, Fellow Member of All India Management Association (AIMA)

Mr Damodarannair Sundaram
Non-Executive and Independent Director

A C R

Qualifications: Postgraduate in Management Studies (MMS), Fellow, Institute of Cost Accountants, Harvard Business School's Advanced Management Programme

Mr Sunil Mehta
Non-Executive and Independent Director

S A N SC

Qualifications: Graduate from Shri Ram College of Commerce, Delhi University, Fellow Member of the Institute of Chartered Accountants of India, Alumni of the Wharton School of Management, University of Pennsylvania

Mr M R Kumar
Non-Executive and Non-Independent Director

Qualifications: Bachelor of Science, Licentiate

SKILLS AND EXPERIENCE

ACC's Board brings together a wealth of knowledge, perspective, professionalism, diverse thinking and experience. Our Board members have a deep understanding of governance, technical, financial and non-financial issues.

Board functioning

Providing expert guidance and oversight

The Board, along with its committees, oversees the implementation of the Company's strategy, sustained value creation for our stakeholders while ensuring fair play and independent decision-making. The Board at ACC also encourages a culture of risk awareness, openness and debate.

BOARD COMMITTEES

The ACC Board has delegated its authority to various Board committees with the mandate to deal with governance issues and report to the Board on their activities on a quarterly basis. Each committee operates under its specific terms of reference and complies with clearly set out roles and responsibilities, composition and scope of authority, which are reviewed on an annual basis. The Board Committees are as under:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination & Remuneration Committee (N&RC)
- Risk Management Committee
- Corporate Social Responsibility (CSR)* Committee
- Sustainability Committee*
- Compliance Committee

*CSR & Sustainability Committee is split into two separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

INDEPENDENCE

Our Board currently comprises **six (6) Independent Directors,** who bring their objective judgment and diverse expertise to the boardroom.

Board balance chart

- Non-Executive and Independent Directors – **6** (including woman Director)
- Other Non-Executive Directors – **5**
- Executive Director – **1**

HOW THE BOARD SPENT ITS TIME IN 2021 (in hrs)

DIRECTORS' TRAINING

100%

Directors covered by familiarisation training

ACC BUSINESS RESILIENCE TEAM (BRT)

The Company constituted an internal Business Resilience Team (BRT) to safeguard our people and business and to address the COVID-19 challenges. The BRT comprises experts from human resources, health & safety, communications, operations, procurement, IT, legal, and security departments. The team worked closely with the Group BRT and provided guidance, monitoring and reporting on ACC's operations. We prepared our response using a four alert level Trigger Action Response Plan (TARP), with specific actions at each deteriorating alert level. We ensured compliance with Central and State government regulations.

Executive Committee

Mr Sridhar Balakrishnan
Managing Director & Chief Executive Officer

Mr Yatin Malhotra
Chief Financial Officer

Mr B. K. Mishra
Head of Human Resources

Mr Rajat Prusty
Chief Manufacturing Officer

Mr Rajiv Choubey
Chief Legal Officer and Company Secretary

Mr Suresh Rathi
Chief Supply Chain Officer

Mr Deepak Mehra
Chief Commercial Officer

Mr Manoj Chhura
Chief Procurement Officer

Mr C. Kurian
Chief Executive Officer, ACC Concrete & B2B Business

Dealing with business risks

Our comprehensive Business Risk Management (BRM) framework helps us identify risks and opportunities and monitor their movement. The BRM thus helps us future-proof the business to the challenges of a dynamic business environment. We regularly review the effectiveness of our risk planning and mitigation efforts.

The BRM ranks each risk based on the likelihood of the event and its expected impact on our operations and performance to form a risk heat map. The risks that fall under the purview of 'high likelihood' and 'high impact' are identified as primary risks, which are factored into strategic decision-making by the Executive Committee and a detailed mitigation plan is drawn up. The identified risks are integrated into our planning cycle to periodically review the movement of the risks on the heat map and the effectiveness of the mitigation plan.

Board Risk Management Committee

The Risk Management Committee is constituted for overseeing risk management systems as well as risk governance. The Committee frames the Risk Management Policy, which is approved by the Board, and updates the Board regularly on risk management and governance. Through industry-best internal controls and systems, the Board oversees the risk management and governance process. Our internal control framework comprehensively covers financial, operational, compliance and information technology areas and is completely aligned with our risk management policy. Embedded within the business, robust risk management processes enable us to identify significant risks and mitigate them in an effective manner.

Key business risks and their mitigation plan

Primary risks	Our endeavours
Inability to secure supply of materials at a competitive price	
Fuel Coal and pet coke are the primary fuels used in our kilns to produce clinker, and in power plants to generate electricity. Fuel contributes to a major share of the cost of cement. The post-pandemic global energy crisis has led to severe shortage in coal and sharp increase in coal and petcoke prices.	We have initiated alternative sourcing and consumption of alternative fuel to address availability, cost and sustainability targets. We are focusing on reducing the cost of power and fuel by availing of domestic and import options, working on fuel flexibility while adopting more sustainable and efficient modes of transport. We are also optimising operational efficiency and controlling the heat rate of kilns.
Fly ash Global demand of fly ash and slag has surged on account of capacity expansion undertaken by cement producers. This has increased pressure on supply and led to high prices.	We are using innovative techniques to transport and use fly ash from far-flung power plants to the deficit-geographies. We are using wet fly ash from nearby power plants' dykes to address cost and availability concerns. Also, we are using phospho-gypsum and other non-mineral waste gypsum (40-100%) to reduce the total cost.
Limestone A primary raw material for the manufacture of cement, it is imperative to ensure its uninterrupted and long-term availability. Environmental and forest and wildlife clearances are a prerequisite for mining activities. Besides, land acquisition is also becoming more challenging and expensive.	Most of our mining leases are till March 31, 2030, thereby ensuring adequate limestone reserves till the said date, after which we intend to participate in auctions. We are already participating in select auctions to secure new mining leases for our existing plants as well as for our expansion across locations. We ensure timely approvals through continuous engagement with government officials and local authorities. Adequate steps are also being taken to obtain fresh environmental clearances, wherever necessary. To optimise usage of this depleting natural resource, we are using a higher percentage of additives that enables usage of low-grade limestone without compromising on quality.

Primary risks	Our endeavours
Market share and competition The cement industry is witnessing an imbalance in installed capacity and its utilisation. Despite excess production, expansion programmes continue, resulting in intense competition and adverse impact on the Company's market share, sales volume, and profitability.	We have drawn up strategies for channel development, increased focus on trade business and brand positioning to manage market shares and profitability. We are widening our product portfolio by increasing the share of our premium products in the retail segment, application-based products, value-added products, and services to the B2B segment.
Cyber security In the last few years, technology has evolved manifold and so have the risks attached to it. The proliferation of business data beyond data centres to the cloud, social media and digital platforms for B2B and B2C connect are impacting cyber security. In addition to data loss, cyber-attacks can impact business operations, machinery and human assets, and result in legal and regulatory liabilities.	Our business landscape with complex IT and Operational Technology (OT) environment, presents the possibility of a cyber-attack. Appropriate controls (technology and governance) are being planned and implemented. Adequate perimeter security is in place and business continuity plans are tested every year. The impact assessment of most of the hardware and software has been mapped and we are also conducting YoY cyber security maturity assessments. We use tools such as End Point Threat Detection & Response (ETDR) solutions for advance threat protection, immutable back-up and encryption, multi-factor authentication for critical applications to protect against identity and password theft. Cyber-threat intelligence solutions have been integrated with Security Incident & Event Management (SIEM) at the Security Operations Centre (SOC) to track and prevent a potential attack.
Digital advancement Digital technologies are changing the way companies operate while creating new opportunities to improve efficiencies, and enhance customer experience and employee involvement. Adoption of such technologies require top management initiative, employee commitment and cultural transformation.	We have formulated a comprehensive digital advancement roadmap across our business value chain viz. manufacturing, logistics and supply chain, commercial, customer and channel, to enhance business efficiency, productivity, and overall success.
Legal and compliance risks Since the Company's business is dependent upon various approvals, consents, licences, permits and other such items, the Company is exposed to various legal, regulatory and litigation risks.	We have a robust compliance framework and mechanism for policies, Standard Operating Procedures (SOPs) and advisories in relation to statutory compliances and litigation/potential litigation. A statutory compliance portal is used to track location-wise compliance requirements and the responsibility matrix. We regularly review key legal cases in terms of the demands involved, and the probability of receiving any adverse orders where there may be financial or reputational impact on the Company. We engage legal counsel basis the nature of legal risk and strategy and use a Litigation Management Digital Tool that maintains a master litigation database to keep track of function-wise statutory compliances. We ensure compliance audits and remediation, training and awareness programmes and policy communication.
Health and Safety risk The Company's nature of business makes it imperative to protect employees, contractor and third party from injury, illness, or fatality, during both on-site and off-site activities. Any safety issues could result in legal action, financial loss, and reputational damage.	We ensure employee safety through numerous measures, including regular third party plant inspection and Design Safety & Construction Quality Programme (DSCQP) surveys, the Transport Analytic Center (TAC) to track parameters of vehicle health, ensure road safety, apart from assessments on Driver Management Centre (DMC) efficiency. In addition, we have a robust assurance process with three layered audit mechanisms: intra ACC, cross audit by Ambuja Cements and group audit by Holcim that helps in assurance of Health, Safety and Environment Management System (HSEMS) protocol.

Risk management

Primary risks

Talent retention and attraction

Workforce management is crucial to businesses to ensure adequate manning, employee satisfaction, staff retention and employee productivity. High attrition rates would result in increased cost of recruitment and trainings, understaffing and lower productivity.

Our endeavours

We mitigate the risk of employee attrition through increased engagement, ensuring employee satisfaction and undertaking well-being surveys while aligning our business goals with individual employee aspirations. We undertake succession planning programmes and promote employee development through a well-laid out learning and development programme through the Holcim Training Academy.

Environmental risks

The cement Industry is a major contributor to global CO_2 emissions due to calcination of materials and use of traditional fuels. Organisations must aim to meet the increasingly stringent greenhouse gas (GHG) emission targets and pollution control board standards. Non-compliance would result in financial penalties and disruption in plant operations. Also, continued water extraction for plant operations could result in water scarcity/decline in ground water tables and create adverse global warming impact.

Our endeavours

We are committed to Net Zero carbon emission and are making efforts to increase green energy consumption. We are improving our Waste Heat Recovery System (WHRS) capacity, optimising sourcing of alternative fuel through Geocycle, developing products which have low-carbon footprint, reducing clinker factor and using alternative raw materials. We are also promoting rainwater harvesting in our mines, together with focused reduction in specific water consumption through process optimisation. We are adopting new technologies, eliminating leakage, adopting air-cooled condensers in CPP and reusing treated water.

Emerging risks

COVID-19 pandemic and/or outbreak of any new disease

The COVID-19 pandemic and measures implemented by the authorities to contain it have created new challenges. The pandemic also presented primary risks to the health of employees and their families while impacting business, logistics and supply of contract workforce.

Our endeavours

We created a Business Resilience Team (BRT) for monitoring the situation and adhered to all applicable protocols. Health & Safety monitoring was done at all plants. We vaccinated 100% of our employees, their families as well as drivers who service our distribution networks.

Climate change risks

Aligning with TCFD recommendations, ACC has assessed the potential impact of climate-related risks and opportunities which are factored into the Company-level risk management process. These risks include transition risks and physical risks.

Transition risks

Policy and regulatory changes with respect to PAT/RPO regulations, and stringent environment regulations.

Market risks due to change in consumer preferences and demand for sustainable products.

Reputational risks due to the stakeholders' perception towards the sector as one of the biggest CO_2 emitters.

Technological risks due to the high cost.

Physical risks

Climate change may result in extreme weather events like flooding, changes in precipitation patterns etc. These may impact our operations due to disruptions in supply chain and logistics. Water scarcity (chronic risks) may also affect our operations in the future.

Our endeavours

Our mitigation efforts on these specific matters are described in the relevant sections of this Integrated Report. We have a Board-level CSR and Sustainability Committee to oversee governance mechanisms, strategise our efforts and monitor our progress against climate change and its attendant problems. We have formulated SD 2030 Plan with targets to reduce climate change impact that are validated by Science Based Targets initiative (SBTi). This year, we also undertook the Net Zero pledge.

Metrics

Specific CO_2 emission is seen as a metric to monitor climate change and its impact. Disclosure of this indicator for the last four years along with detailed disclosure on Scope1, Scope2 and Scope3 emission is provided in page 41. Further, being one of the key sustainability indicator, water consumption is also monitored regularly.

pg 64

Climate change opportunities

In the process, we have also identified the opportunities which include achieving resource efficiency, optimising our energy resources, developing sustainable and low carbon products etc.

Our endeavours

We are installing Waste Heat Recovery Systems (WHRS) and increasingly using renewable energy at our plants. We are also undertaking other measures, including the adoption of advanced technologies, to improve our energy efficiency, clinker factor, and thermal substitution rate and using our innovation backbone to bring new products with low-carbon footprint to the market.

Sustainability

2021 HIGHLIGHTS

58.38%
Clinker factor

2.6%
Improvement in specific electrical energy consumption

7.25%
Thermal substitution rate

5,00,000
Lives touched

10%
Reduction in specific water consumption

3 Million m^3
Water generated through rainwater harvesting for the community

Sustainability

Expanding reach, integrating sustainability

ACC was one of the earliest companies in India to have a well-defined and holistic sustainability agenda. Sustainability is at the heart of our strategy, risk management framework and core offerings. We have achieved industry leading standards for several of our sustainability and circularity initiatives like development of green products and solutions, fossil fuel substitution, and process and logistical optimisation.

Sustainability strategy and key objectives

ACC's sustainability strategy is built around four main pillars

CLIMATE AND ENERGY

We aim to reduce our CO_2 emissions. and build a low-carbon nation.

CIRCULAR ECONOMY

We are replacing natural resources with alternative waste materials and renewable energy.

ENVIRONMENT

We strive for operational excellence to reduce our environmental footprint. This pillar primarily focuses on two aspects of water and biodiversity.

PEOPLE AND COMMUNITIES

Our rich legacy of community development and caring for our people, path-breaking leadership and corporate empathy contributes to societal progress.

BOARD'S ROLE IN DRIVING SUSTAINABILITY

The sustainability agenda has to be driven with purpose and motivation. At ACC, a special Board-level Corporate Social Responsibility (CSR) and Sustainability Committee manages our sustainability and CSR priorities, including climate action activities. It consists of four Board members including the MD & CEO and is chaired by an Independent Director. This Committee is responsible for providing guidance in developing and overseeing climate-related strategies.

The CSR and Sustainability Committee has played a pivotal role in developing ACC's SD 2030 Plan, and in articulating the structural framework involving the four pillars. It also conducts periodic performance reviews against each of these pillars.

Further, this Committee also anchors ACC's commitment to align with a 1.5°C Business Ambition. In addition to all these responsibilities, the Committee is tasked with providing oversight and guidance on ESG and climate-related risks, opportunities and impacts. The CSR and Sustainability Committee is split into two separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

Senior leadership oversight in implementation of the sustainability targets

ACC follows a target-driven approach to the goals articulated under each pillar. The Board and the Company's senior leadership are committed towards achievement of these goals and periodically review the progress against the various targets articulated under each of the four pillars that make up the SD 2030 Plan. Based on the progress made, necessary guidance is provided.

In terms of mapping these targets, the broader objectives are drilled down to the functional levels, with progress scorecards being reviewed on a monthly basis by the respective plant-and corporate-level functional heads. At a higher level, this progress is also reviewed during the monthly Senior Management Executive Committee (ExCo) meetings so that timely intervention can be made and the required guidance provided.

Target-driven performance

The resolute purpose that underlies the achievement of our sustainability targets is most effectively demonstrated by the fact that ACC links its senior management's and Board members' performance evaluation and pay with the meeting of these targets. Climate is the most material issue for the Company, and a significant proportion of management employees have at least one KPI linked to climate-related objectives, and it forms a part of their performance evaluation. Apart from this, there is a reward and recognition programme for all employees. Management compensation includes targets for synergy achievement including energy savings.

Global Cement and Concrete Association (GCCA)

The Global Cement and Concrete Association is an international industry association and its members account for ~40% of the total cement produced in the world. Established in 2018, GCCA has a very clear sustainability agenda – to help its members reach carbon neutrality by 2050. Holcim has been a founding member of GCCA, and ACC has been part of the body since its entry into India. GCCA India's country-level involvement began with taking over the progress made by the Cement Sustainability Initiative (CSI), under World Business Council for Sustainable Development (WBCSD). Our strategies, initiatives, actions and reporting methodologies align with GCCA charter requirements covering work on climate, water, circular economy, biodiversity, health and safety.

Our notable work with GCCA

Cement specific SDG document to capture the improved protocol.

Document under preparation

Uniform tool for reporting alternative fuels and raw materials used and thermal substitution rate developed.

Access tool here

Uniform water reporting tool and water positivity calculations developed.

Document under preparation

Advocacy for promoting blended cements in the construction sector.

Encouraging use of decarbonation technologies which includes Carbon Capture Utilisation & Sequestration (CCUS).

Collaborating with IIT Delhi to develop next-generation low-carbon cement

The collaboration with the Indian Institute of Technology Delhi (IITD) aims at developing a form of calcined clay cements, a low-carbon material that will promote sustainable construction.

PILLAR 1

Climate and energy

We have taken the Net Zero pledge and our emission reduction targets are validated by the Science Based Target initiative (SBTi). We aim at reducing our Scope 1 emissions by 21.3% and Scope 2 emissions by 48.4% by 2030, considering a 2018 baseline.

Levers that drive our climate change mitigation strategy

CLINKER SUBSTITUTION RATE / CLINKER FACTOR

Replacing the clinker with alternative blending materials like pozzolana, slag or fly ash (industrial waste) to produce blended cements, reduces the carbon intensity of the cement. This is the primary lever for reduction of carbon emissions.

In 2021, approximately 91% of our total cement portfolio consisted of blended cements, and this will be enhanced in the future.

WASTE-DERIVED FUELS AND BIOMASS

Using waste and low-carbon fuels as a replacement for fossil fuels that have traditionally been used to fire a cement kiln.

In 2021, we used 0.28 MT of waste-derived fuels and biomass.

ENERGY EFFICIENCY

Optimising our thermal and electrical energy efficiency in both kilns and captive power plants helps reduce carbon intensity and production costs. Various energy optimisation measures are implemented.

In 2021, our specific thermal energy and specific electrical energy intensity was 3,108 MJ/T of clinker and 78.55 kWh/T of cement.

RENEWABLE ENERGY AND WASTE HEAT RECOVERY SYSTEM (WHRS)

Renewable energy sources include three wind farms with total installed capacity of 19 MW, 82 MWp of solar power capacity and a 7.5 MW WHRS at the Gagal plant. Planned additions to our renewable energy portfolio include WHRS for cement kilns at Wadi, Kymore and Chanda Cement works, solar power plants within plant boundaries, and long-term solar Power Purchase Agreements (PPAs).

In 2021, our RE production (excluding energy from WHRS) was 102 Million units as compared to 85.27 Million units in 2020.

ADOPTION OF NEW TECHNOLOGIES

For upcoming projects, we are adopting state-of-the-art technological interventions, innovative production techniques and climate-resilient resource optimisation measures.

As a part of our commitment to Net Zero, we are in the process of adding 38.7 MW of WHRS.

CARBON PRICE

The cement industry pays indirect carbon taxes in the form of coal cess, Perform Achieve and Trade (PAT) scheme and Renewable Purchase Obligation (RPO) scheme. After calculating the impact of these three indirect carbon taxes under different scenarios, we can arrive at a carbon price.

Based on current market trends, our Internal Carbon price stands at ~₹3,753 per Tonne of CO_2.

ACC Limited wins Climate Action Programme (CAP 2.0°) Award from CII

CAP 2.0° recognises our efforts to reduce CO_2 emissions from our operations. The CAP 2.0° award given by Confederation of Indian Industry (CII) is based on a CII-climate-maturity model and uses the principles of business excellence. ACC has won this award in the Energy, Mining and Heavy Manufacturing sector category for efforts in 2019. The award ceremony was held in 2021 because of delay caused by the pandemic. The award recognises the Company's continued focus on climate action, on building a circular economy, and conserving resources and nature.

CDP disclosure and rating

Since 2006, ACC has been measuring its carbon emissions as per the World Business Council for Sustainable Development - Cement Sustainability Initiative (WBCSD-CSI) standards and the CSI protocol. Moreover, for almost a decade, ACC has disclosed its climate related data through CDP's environmental disclosure platform.

A	B
2021 Score for CDP Climate Change	2021 Score for CDP Water Security

CDP

PILLAR 2

Circular economy

We promote circular economy and aim to contribute to it with our Geocycle brand. Through Geocycle, we offer safe waste management solutions for the use of industrial and municipal wastes in our kilns. We work closely with municipalities for managing municipal solid waste.

We prioritise the management of single-use plastics through co-processing, which helps to keep them out of landfills and rivers. ACC has seven co-processing kilns in its plants with an annual capacity of over 5 lakh tonnes of waste, helping to generate alternative fuels and raw materials.

Making India free of single-use plastic

Single-use plastics are non-recyclable and end up polluting land and water bodies for many years. As part of our single-use plastic management exercise, Geocycle undertook stadium clean ups after cricket matches and supported its drive with impactful campaigns to generate awareness about the long-lasting negative impact of single-use plastics.

Leave Behind no Waste (#LBnW) brand campaign

As a firm step towards our Net Zero vision, ACC launched the 'Leave Behind no Waste' campaign this year (#LBnW - which also stands for a type of dismissal in cricket), by collecting and responsibly disposing off all single-use plastic generated during the India vs New Zealand test match in 2021.

The campaign used traditional and digital platforms to amplify the message of making sports more sustainable so that our planet is a better place to live in for future generations.

2 tonnes per day of single-use plastic collected during the India vs New Zealand test match in 2021, was disposed responsibly through co-processing in our kilns.

Categories of industrial, municipal and other wastes utilised by ACC

- Sludges from automotive and engineering sector
- Expired goods from FMCG and food and beverage companies
- Sludge and catalysts from oil and gas industry
- Process rejects from aluminium, steel and power industry

5 Lakh+ tonnes

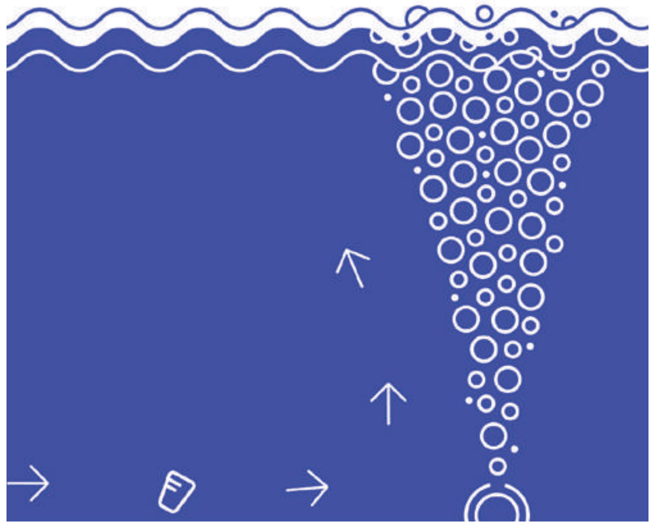
Industrial, municipal and plastic wastes were co-processed in 2021

Geocycle helps Himachal Pradesh in 'Zero plastic' initiative

The Himachal Pradesh government launched a state-wide campaign to clean up plastics from the mountains. Geocycle supported this campaign by co-processing the plastic collected from various districts in ACC's cement kiln at Gagal, thereby helping the state progress towards its zero plastic goal. Now, Geocycle is setting up a Bubble Barrier in Himachal Pradesh to collect plastics from the Beas river.

Collecting and reusing our packaging material

Cement packaging material has high reuse value in construction sites for storing materials and as roof coverings for the poor people's homes. ACC collects used or torn cement bags and co-processes them as alternative fuel in some of its manufacturing units.



Bubble Barrier Technology

Co-processing waste

Utilising Municipal Solid Waste (MSW) from communities

The municipal corporations at Kalburgi and Bidar in Karnataka faced challenges in managing the disposal of plastic and other dry waste categories. The lack of proper waste management solution led to accumulation and storage of such waste, creating the need for an efficient disposal mechanism.

ACC Wadi signed a Memorandum of Understanding (MoU) with these municipal corporations. With support from Geocycle, these waste categories were safely transported and co-processed at our Wadi plant. This joint initiative by ACC and Geocycle was greatly appreciated by the local bodies.

The clean up also touched thousands of lives, and provided the people living in this region with a cleaner and waste-free environment.

Legacy waste management

India has over 3,000 landfill sites, covering more than 10,000 acres of land. These sites pose serious hazards for the environment and public health. They are a source of foul odour, greenhouse gas emissions and groundwater contamination

ACC is working with municipalities to help remediate legacy dumps by co-processing their segregated combustible fractions in kilns at ACC cement plants.

90,000 Tonnes

waste utilised from landfill sites

Implemented across 60+ sites, remediating more than 300 acres of land space.

Co-processing focus areas for 2022

- Focus on footprint expansion for managing Municipal Solid Waste and plastic waste across the country.
- Working in remote villages that are located close to our plants and help them manage their Municipal Solid Waste in a scientific and environment-friendly way.
- Capacity expansion across all plants to enable higher utilisation of waste volumes in the kilns.

PILLAR 3

Environment

ACC takes a multidimensional approach to safeguarding the environment. We minimise our air emissions, promote biodiversity, and recycle water to reduce our environmental footprint. At the same time, we take active efforts to nurture and green our surroundings.

Air emissions minimisation

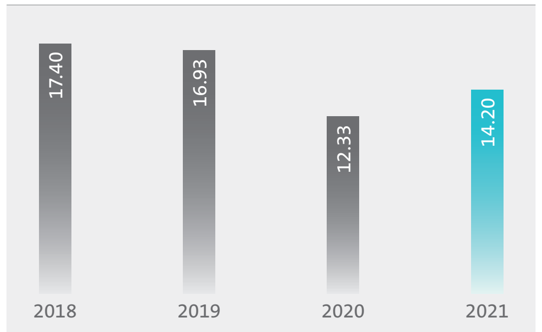
We have installed advanced primary and secondary abatement measures in addition to regular maintenance of equipment at manufacturing locations to minimise air emissions. This helps us to comply with the Emission Limit Value (ELV) mandated by various regulators. We have installed Continuous Emission Monitoring systems (CEMs) at all our 17 cement plants to monitor air emissions. Air quality is also monitored through the Continuous Ambient Air Quality Monitoring Stations (CAAQMs).

CONTROL OF EMISSIONS AT OUR PLANTS

Dust

We have achieved continuous improvement in process efficiency. We have high efficiency bag filters in all operational processes, except Clinker Cooler application. We also use latest Electrostatic Precipitators (ESPs) in Clinker Cooler application. We adhere to periodic maintenance schedules for all processes and systems.

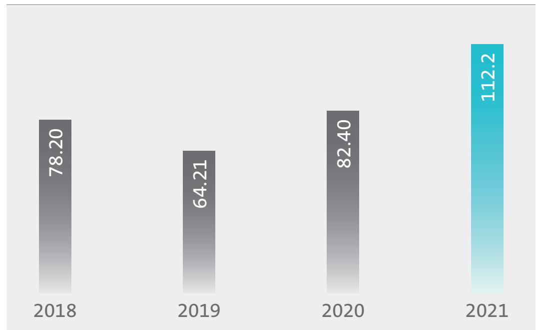
Dust Emissions (g/t of cement)



SOx

The inherent presence of high lime content in cement manufacturing process helps in absorbing SO_2 emissions.

SOx Emissions (g/t of cement)

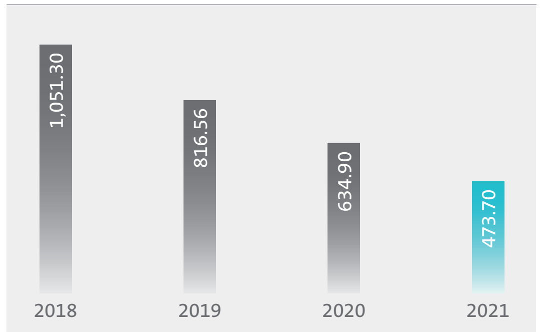


Note: There is a significant increase in SOx emissions intensity in the year 2021 as compared to 2020.This is due to change in raw material quality and change in fuel at Chanda. There is some increase in dust emission for the year 2021 due to some operational problems in few of our plants. However, the specific emissions are in compliance to regulatory norms.

NOx

We are improving operational and process efficiencies through implementation of various primary measures for controlling NOx emissions. Our integrated plants use Selective Non-Catalytic Reduction (SNCR) systems for sustainable operations.

NOx Emissions (g/t of cement)



Mercury Emissions

Maintaining compliance with the regulatory Emission Limit Value (ELV) for mercury and its compounds' emissions. Kiln is the source of mercury emissions from cement manufacturing operations. Compliance levels for all our kilns was at <0.5 µg/Nm^3, as is prescribed by Ministry of Environment, Forest and Climate Change (MoEF&CC).

Developing forests at our plants

In the past 3 years, ACC has developed forests at Chanda and Wadi manufacturing plants using the Miyawaki technique. Inspired by the growth of these forests, we undertook another forest development at Wadi plant in 2021 in an area of 250 m^2 using Miyawaki[1] technique.

1 Miyawaki method is developed by Japanese scientist Mr Akira Miyawaki, and is useful in creating forest in shortest possible time.

PILLAR 3: ENVIRONMENT

Water and wastewater management

Water is integral to life. We are conscious about the water scarcity experienced in various parts of our country and the impact of climate change worsening the situation. At ACC, we adopt a multi-dimensional approach to return more water than what we consume at our plants and are 1.35 times water positive. We return water to communities through our community water harvesting structures including converting mined out pits into reservoirs.

OUR WATER MANAGEMENT STRATEGY

Optimising water consumption in our plants

Specific water consumption reduced from 151 Litres per ton of cementitious material in 2020 to 136 Litres per ton of cementitious material in 2021.

Zero liquid discharge from our operations

During the year, we used 0.57 Million m^3 of recycled water and reduced our specific fresh water consumption from 78 Litres per ton of cementitious material in 2020 to 74 Litres per ton of cementitious material in 2021.

Rainwater harvesting in our mines

In 2021, we have harvested 16.2 Million m^3 of water in our mine pits/voids.

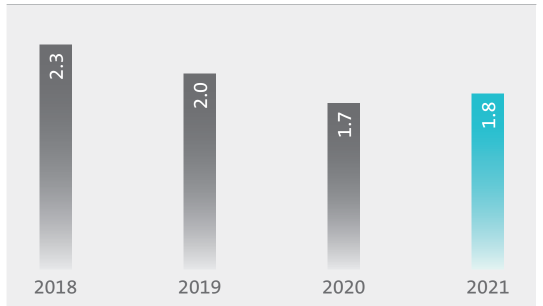
Rainwater harvesting in communities

In 2021, we have created community rain water harvesting structures, resulting in harvesting 1.9 Million m^3 of water.

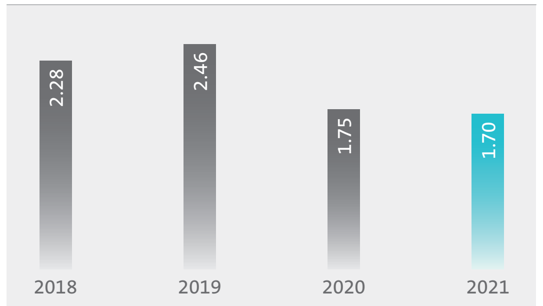
Water harvesting at Bargarh Mines

Water management performance

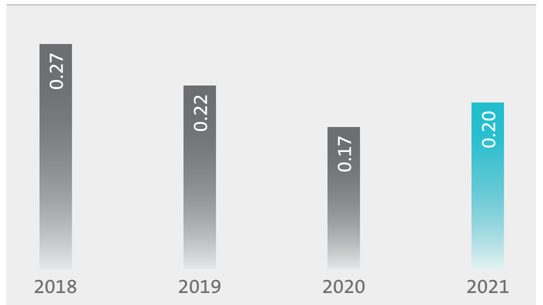
Surface Water Consumption (Million m^3)



Harvested Rainwater Consumption (Million m^3)



Groundwater Consumption (Million m^3)



Biodiversity

Assessing and improving biodiversity is important for us, across our operations in plants and mines. We have conducted biodiversity assessments at all 17 plants, using the Biodiversity Indicator Reporting System (BIRS), a tool developed by Holcim, in partnership with International Union for Conservation of Nature (IUCN). BIRS is a standardised system for assessment and regular monitoring of biodiversity at any extractive operation site is possible. Based on the outcome, various remedial measures are implemented in the mines. As the COVID situation eases in 2022, we plan to reassess our mines using the BIRS tool.

Three of our mines, Lakheri, Dungri and Gagal, are located within a 10 kms-radius of certain nationally protected areas. We have developed and implemented Wildlife Conservation Plans (WCPs) for all these mines to maintain ecological balance. Additionally, we have made WCPs for our Sindola and Govari mines.

As a responsible corporate, we strictly adhere to the commitments made in our mining plans and regularly undertake plantation activities at our mines, mined-out pits and dumps to manage and conserve biodiversity. Our mined-out pits not only act as water reservoirs but also help in conserving local ecology. We plant around one Lakh saplings every year across our operational sites

A few of our initiatives also focus on the conservation of particular flora and fauna at certain plant locations. Under the 'B-Buzz' project, we are developing a butterfly garden, a fruit garden, and also doing invasive species management.

Awarded five-star rating by Ministry of Mines for sustainable mining

ACC's limestone mines at Govari, Wadi, Gagal, Jamul and Kymore were felicitated with the prestigious '5-star rated mines' award by the Ministry of Mines, Government of India, at the 5th National Conclave on Mines and Minerals. From nearly 1,029 mines assessed across India, our mines were recognised for their sustainable mining including scientific and systematic mining practices, progress on mine closure plan, addressing of resettlement and rehabilitation issues, local community engagements and welfare programmes.

PILLAR 4

People and community

ACC identifies itself as a caring organisation and takes pride in fostering the growth of its employees and taking care of the development of its communities. Our leadership supports and promotes a culture that is fair, transparent and inclusive.

People strategy

- Employee well-being
- Health and safety
- Learning and development
- Diversity and inclusion

Leading with empathy

COVID-19 triggered a humanitarian crisis globally. At ACC, we mobilised resources to support our employees and their families, third party workers and the communities around our plants by arranging for COVID-19 testing, generating awareness through information and education, and providing medical support wherever required. Further, our policies including work-from-home, financial and medical assistance supported our people during the crisis.

Our people initiatives focused on ensuring the well-being of people. The Business Resilience Team (BRT) was constituted to direct, guide and monitor employee well-being, health and safety within the organisation. An in-house COVID Crisis Control Room along with third party health service providers guided employees in navigating the pandemic. Our unique counselling initiative – Sparsh provided support for the emotional well-being of our employees and their immediate family members. Our vaccination programme reached all employees and their families, third party workers and truck drivers. We ensured that all employees in our ecosystem were fully vaccinated by early August 2021. Further, our COVID support policies helped those impacted by the virus.

Vaccinated truck drivers engaged in Tikaria plant

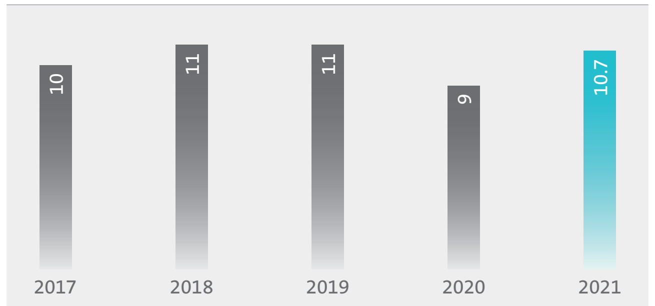
The ACC-Ambuja Leadership Academy (AALA) used inputs from the BRT to start some of its first outreach programmes and to establish a meaningful connect with the employees.

These programmes involved 200 in-house experts and the sessions were designed keeping employee needs in mind. Twelve webinars covering subjects such as 'COVID and How to Manage It' and 'Mental Well-being and Resilience' were organised. About 2,195 employees participated in these programmes.

Employee strength			New hires		Employee attrition	
Age Group	Male	Female	Male	Female	Male	Female
<30	656	126	255	84	153	29
30-50	2,270	109	230	8	292	13
>50	474	12	12	0	22	1

5-year attrition trend*

(%)



*Attrition trend is for Cement business

Collective bargaining and trade union relationships

Our factory workers or Shop Floor Associates (SFA) constitute ~45% of our direct employees. They are an indispensable part of our workforce and we engage with them as trusted business partners. We maintain cordial and harmonious relationships with our unions through regular communication and open, two-way dialogue and have their tacit approval in all critical business decisions.

Our COVID policies provide ex-gratia support for family of deceased SFA, as well as third party workmen and special leave for those infected by the virus.

DIVERSITY AND INCLUSION

ACC is an equal opportunity employer and ensures that our people are treated with respect, dignity and fairness. We are committed to:

- Creating and sustaining a diverse and inclusive workplace with zero tolerance for any form of discrimination/harassment
- Ensuring that all members have equal access to information and opportunity
- Accepting and appreciating diverse points of view/new ideas and opinions to promote creativity, innovation and high performance

Our four strategic levers for promoting diversity and inclusion are attracting diverse talent, promoting education and awareness, engagement and development and building ecosystems at workplace.

Building diversity at the workplace is a journey. We are pleased to share, that over the last few years we have achieved a gender diversity of 7% amongst the management staff.

To promote gender diversity, we also run mentorship programmes and initiatives that expose women to leadership roles, and enhance their skills. Several sensitisation workshops have also been conducted to promote inclusion at the workplace.

We employ people with disabilities. At ACC, we recognise that diversity has many dimensions and remain committed to providing equal opportunities for employment.

Gender Diversity by Management Category

	Male	Female	Gender diversity (male : female)
Junior Management	2,127	185	92:8
Middle Management	1,063	53	95:5
Senior & Top Management	210	9	96:4

FS4 OORJA Energising you!

Women's support network

Oorja is an all-India women's network that aims to motivate women at the workplace through peer support and collaboration. Oorja enables women to interact with their senior women colleagues within the organisation. The programme fulfils our objective of providing women employees a nurturing and supportive environment and achieving our vision of becoming a great place to work for women employees.

Launch event

Oorja was launched virtually and the event was attended by over 200 women employees from different locations in India.

Key objectives

- To share ideas, give suggestions and facilitate the process of building a women-friendly organisation
- To co-create an organisation that becomes a 'great place to work' for all our women employees
- To ensure we become one of the most admired organisations in India on attributes like gender diversity practices, inclusivity and employee engagement

PILLAR 4: PEOPLE AND COMMUNITY

LEARNING AND DEVELOPMENT TO ACHIEVE COMMON GOALS

Learning & Development is an integral part of our people strategy and essential to developing employee potential. We continue to encourage employees across the organisation to learn through the multiple options available to them.

During the lockdown, a simple and intuitive learning model was used which proved to be an effective employee engagement tool. By leveraging our digital ecosystem of learning and development, we support our employees on their developmental journey. We offer the following learning and development formats:

- Large instructor-led webinars – master classes mostly open to all levels of employees
- Smaller virtual instructor-led sessions and programmes tailored to the needs of specific teams
- Programmes that support key organisational development initiatives such as successor development, creating a culture of safety, etc.

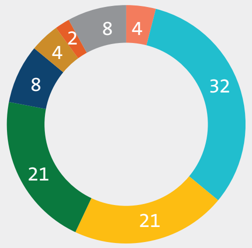
E-learning modules
AALA introduced Super Assisted Intelligent Learning (SAIL), a learning experience platform (LXP) in 2019, which gives insights into individual-driven learning. Multimedia learning tools such as videos complemented trainings conducted through the three formats mentioned above. Several programmes including coaching for sales leaders and workshops to build synergy among teams have been conducted on this platform.

Leadership programmes
During the year, Succession Development Programme was launched for the Manufacturing and Sales teams to strengthen succession planning at the mid-management level.

Also, the Emerging Career Leader Programme was launched to build a pipeline of future leaders by providing a six-month virtual training for select junior employees.

The Holcim Business School for Emerging Leaders is our group's global programme for mid- and senior-level managers to prepare them for next level roles. Through a modular, four-month programme offered annually, this programme focuses on development of leadership, strategy and business acumen. During COVID, the programme was offered virtually.

Area-wise learning (% of time spent)



Leadership & Skill building	32
Sales & Marketing	21
Wellness, Health & Safety	21
Business & Strategy	8
Cash & Cost	4
Compliance	2
Manufacturing	8
Sustainability & Geocycle	4

4,033
Total unique employees participated in the training programmes

21,466
Overall employees attended more than one programme

396
Total no. of training programmes conducted

96
Modules created/ uploaded on SAIL

82,713
Total learning hours

157
Total Internal/ External faculty

64
Total In-house courses/ e-modules created

Employee engagement

Webinars on emotional wellness for employees and their family

Engagement by leadership team through regular e-mails/newsletters

Engagement through MD & CEO programmes

Pratibha ke Rang, ACC ke Sang
The ACC Parivaar countered the COVID-19 crisis with resilience. Last year, we organised 'Pratibha Ke Rang, ACC Ke Sang', an event which encouraged ACC employees and their family members to showcase their talent. The event not only brought employees together, but also unearthed diverse creative talents of our employees and their close ones.

This unique initiative was launched on our digital platform and received wide coverage, participation and great viewership.

Engagement programmes
We have several initiatives in place to enhance employee engagement.

'Baat Cheet' is our quarterly town hall wherein the MD & CEO, along with the leadership team engages with employees to share the Company's quarterly performance and priorities.

'Open House Conversations' are small group-based location or function-wise interactions with MD & CEO and leadership team on wide range of topics to promote transparent exchange of views.

Our 'Write to MD & CEO' app encourages all employees to connect directly with the MD & CEO and present their ideas and suggestions, share team and individual achievements as well as express their concerns. This app brings in more transparency and boosts morale and confidence levels of our people.

#Coolestworkplace

ACC has been ranked amongst top 25 coolest workplaces in India by Business Today

ACC scored highly on

- Growth and Learning opportunities
- Hygiene and safety at work
- Job security and stability

PILLAR 4: PEOPLE AND COMMUNITY

HUMAN RIGHTS

Respect for human rights is fundamental to the way we conduct our business and form the core of our workforce policies. ACC is committed to upholding human and labour rights in our operations, business activities and relationships.

Our approach to managing human rights is aligned with the United Nations Guiding Principles on Business and Human Rights to prevent, address and remediate infringements on human rights. The CEO of Holcim – Jan Jenisch is championing our commitment to human rights. He is also a part of World Business Council for Sustainable Development (WBCSD) CEO Guide on Human Rights 2nd edition, which further underlines our responsibility. The WBCSD is a CEO-led organisation of over 200 international companies driving sustainable development.

Our human rights approach

Policy commitment
- Human rights policy
- Embedded in related policies

Identification of risks and impact
- Conduct self-assessment across plants
- Regular dialogue with community and supply chain

Addressing risks and impact
- Integrate findings
- Prioritise issues with action plans

Monitoring and communication
- Monitor action plan implementation
- Track effectiveness of response
- Communicate on performance

Grievance and remedy
- Grievance mechanisms

Stakeholder mapping

Internal
- Plant Leadership team
- Management Staff
- Shop Floor Associates
- Union Leaders
- Third Party Workmen
- Drivers
- Packers and Loaders
- Colony Residents

External
- Community Representatives
- NGOs
- Contractors
- Transporters
- Government Officials

Human rights assessments

We have conducted human rights impact assessment at 11 of our manufacturing plants and developed action plans. As part of these assessments, human rights awareness sessions were conducted together with de-briefing sessions with leadership teams. We are enthused by the response to these consultations and our actions to improve H&S and community outreach. We plan to conduct 4 such assessments in 2022.

11 plants assessed as per Human Rights standards

1,260 people consulted

ENSURING EMPLOYEE HEALTH AND SAFETY AT OUR PLANTS

Health & Safety (H&S) is a core value for ACC. Our senior management play an active role in promoting safety culture across the organisation to achieve our goal of zero-harm. Executive Committee KPIs are linked to H&S Performance, in order to drive the safety culture.

Focus areas for 2021
- Zero fatality and LTIFR improvement
- Rewards and recognition

Health, Safety and Environment Improvement Plan (HSEIP)

The HSEIP plan reinforces leadership role in Health & Safety and has led to implementation of specific measures to improve our H&S performance. These actions include:

- Audit of H&S management systems at all cement and ready-mix concrete plants to provide assurance on their implementation and effectiveness
- Boots on Ground initiative to improve risk management and shop floor engagement
- Health & Safety Culture Perception survey at manufacturing units, project sites and RMX units
- Certification programmes for LOTOTO, Rail Safety, and Field Level Risk Assessment.
- Addressal of critical risks associated with coal shop, conventional fuels, mining operation, hot meal handling, and structural stability in a phased manner

COVID-19 response

Our Business Resilience Team (BRT) comprising members of the senior leadership team regularly reviews the evolving COVID situation globally and within India. Accordingly, it issues relevant guidelines to ensure employee safety and business continuity.

As part of our response to the pandemic, we undertook regular screening of staff across plants and offices, sanitisation of workplaces, awareness sessions and vaccination of our employees and contractors. Post re-opening, all employees and contractors entering plant premises have had to undergo Rapid Antigen Test every 15 days and RT PCR test on return from leave. To manage health emergency situations, we have entered into tie-up with hospitals and fully-equipped health centres. All visits by sales and marketing employees are monitored. We constantly stress on maintaining COVID-appropriate behaviour such as wearing of masks and hand sanitisation.

Safety performance

KPIs	2018	2019	2020	2021
Onsite Fatality	0	4	0	0
LTIFR (Employees & Contractors Onsite)	0.45	0.34	0.31	0.25
Million Man-hours	46.63	43.71	35.20	52.60
Lost Time Injury (LTI)	21	15	11	13

Safety orientation

We conduct structured H&S induction programme for new employees in manufacturing, sales and logistics functions to inform them about H&S rules and policies and inculcate safe behaviour. Such centralised programmes are conducted at corporate level by H&S and HR teams. In addition, each plant conducts its own H&S induction for new employees, visitors and contractors. We also conduct an induction programme for senior leadership through Corporate H&S Team.

Monitoring safety performance

We conduct H&S audit programme to monitor compliance with safety rules and standards.

This includes Intra Plant audit within the Company, Cross OpCo Audit - cross company audit and Group Audit conducted by the Holcim group. Safe Operating Procedures related to Health and Safety are implemented across all plants and its implementation is monitored and verified on monthly basis through respective plant H&S scorecard.

Safe practices are monitored through different tools such as Boots on Ground (BoG), Visible Personnel Commitment (VPC) and hazard reporting. The Critical Control Management programme was launched to address the eight critical elements called Priority Unwanted Events (PUE) in our operation. This has led to 35 critical controls which are monitored through critical VPCs and quarterly field verification for effective implementation.

Recognition for safety
- 3rd ICC National Occupational Health & Safety award 2021 to ACC Thondebhavi (Platinum certificate) and ACC Jamul (Gold certificate)
- Effective Safety Culture Award by Greentech Foundation to ACC Thondebhavi
- Ametha Project awarded with the 'Five Star Safety Audit Certification' applied by Larsen & Toubro

PILLAR 4: PEOPLE AND COMMUNITY

Health and safety perception survey

Health and Safety Cultural Survey 2021 was conducted across all manufacturing units, RMX plants and project sites. A total 7,295 respondents took part in this survey, an increase of 16% from 2020. The survey addressed eight major elements including subjective risk assessment, rule enforcement, addressing problems and hazards, work planning, supervisory oversight, resource management, operational process, and values and commitment. The analysis of survey response revealed shortcomings in supervisory oversight element. The outcomes of the survey will be used to develop Health, Safety & Environment Improvement Plan (HSEIP) 2022.

Trend (2018-2021): Health and Safety Perception Index

	2018		2020		2021
Values & Commitment	71	+16.9%	83	+7.2%	89
Operational Process	82	+9.8%	90	+5.6%	95
Resource Management	86	+2.3%	88	+8.0%	95
Supervisory Oversight	80	+7.5%	86	+5.8%	91
Work Planning	83	+1.2%	84	+6.0%	89
Addressing Problems & Hazards	73	+17.8%	86	+4.7%	90
Rule Enforcement	83	+1.2%	84	+8.3%	91
Subjective Risk Assessment	72	+15.3%	83	+12.0%	93

15 cement plants + 6 RMX regions

(Analysis of mean scores of the 8 elements)

Leading and lagging indicators

To improve our safety performance, we monitor key leading and lagging indicators. BoG, VPC, hazard identification and Near Misses are the key leading indicators monitored by us. All functional HODs and Senior Leaders are given monthly targets on leading indicators. On a monthly basis, the Senior Leaders' BoG, VPC and hazard reporting are monitored and timely guidance on improving the leading indicators are conveyed through monthly cluster meetings. Critical Job reviews, VPC and hazard reporting, Annual Audit Plan and country level meetings contribute in improving the Leading and Lagging indicators performance.

123+ Million
safe man-hours spent without any major accident

19%
reduction in LTIFR from 2020

13+ Million
safe man-hours spent at our project sites

38%
reduction in TIFR from 2020

Rewards and recognition policy 2021

To promote safety culture, we have instituted several awards to recognise individual and team efforts towards safe work environment. The individual awards include Safety Person of the Month and spot rewards for good work. Team rewards include 'War on Waste' rolling trophy and the monthly Best Zone award. In addition, reward and recognition ceremonies are organised at plant level.

Rewards and recognition

Jamul
Best H&S Performer (IP)

Thondebhavi
Best H&S Performer (GU)

Sindri
Best H&S Performer (Projects)

East Region
Best Region in Logistics Safety

Jay Mukhopadhyay
Best H&S Professional

Ashok Kumar Verma and Yogesh Gurav
Best Logistics Safety Professional

Mission focus 2021

Mission Focus 2021 is a special initiative to monitor safety effectiveness through virtual visits to incident prone areas. Under this initiative, virtual visits to mines, poking/jam cleaning at cyclone and kiln inlet were conducted and gap closure action plan developed. All these actions are reviewed in weekly and monthly H&S review meetings.

Behaviour based safety programme

The programme started during the year imparts training to all employees on VPC and complements reward and recognition programme.

Maintaining employee health

As part of our holistic H&S approach, we undertake several initiatives to monitor, treat and improve health of our people. The health of all employees is reviewed periodically through medical examinations. Health risk factors are monitored bi-monthly and appropriate guidance and treatment is provided. We also organise lifestyle management programme and health awareness sessions for our employees and their families.

PILLAR 4: PEOPLE AND COMMUNITY

FS5

Consistently improving road safety performance

ROBUST ROAD SAFETY PERFORMANCE

Road Safety is a serious challenge in India where 430 lives are lost each day. For ACC to achieve its Ambition "0", the safety of our drivers and other road users during material transportation across the country covering over 500 Million kms becomes paramount. Over the last 5 years, we have invested in technology, resources, training and systems to achieve significant improvement in our road safety performance.

Focus areas for 2021

- Skill development
- Driving behaviour management

Enablers

- Stakeholder engagement
- Vehicle standards
- Investing in technology
- Journey risk management

5-YEAR PERFORMANCE IMPROVEMENT JOURNEY

Our journey began in 2016-17, when we started evaluating and monitoring our road safety performance. This was triggered by the loss of lives in road accidents in 2016, which prompted us to strengthen reporting of each offsite incident. We developed an India Road Safety Plan and designed a 5-year strategy to achieve our Ambition "0" on roads.

Since then, we have established a strong road safety management system. The key performance indicators are % Safe Kms, % Kms with in-Vehicle Monitoring System (iVMS), % Kms by approved drivers, injury reduction, critical and fatal incident elimination.

Reskilling drivers

We lay emphasis on skilling of our drivers and their driving behaviour management through stakeholder engagement, progressive strengthening of vehicle standards and investing in journey risk management.

12,000+
Drivers vaccinated in 2021

5,000+
Trained as per Holcim certified training and in-cab assessment programme in 2021

Continuous investment in hardware and software technology adoption and upgradation has been key to our strategy. We implemented iVMS programme and have installed vernacular language enabled voice-box in all vehicles to give real-time alerts to drivers which helps improve driving behaviour on the go. We presently have over 10,000 iVMS and voice boxes installed.

Skill development

Our experience shows that skilling and behaviour management through training, coaching and counselling are key to managing road safety. We established Driver Management Centres (DMCs) for training and created App based e-Passport to capture driver and vehicle details including trainings, licence number, vehicle fitness, pre-trip inspection and more. This e-passport is checked every time the vehicle enters the plant to ensure safe delivery of consignment.

DMCs are established across all our 15 plants with over 50 counsellors deployed. A core function of the DMC is to monitor daily performance with respect to % safe kms reflected in the daily Transport Analytics Center (TAC) dashboard and make on ground intervention in coaching and training drivers to influence change. Holcim certified Master Trainers are deployed in each DMC for training and the in-cab assessment help us in skilling drivers to handle the dynamic road risk situation and avoid any loss to self or other road users.

What are Safe Kms

Safe Kms reflect the number of Kms completed without an error related to driving skills like braking, acceleration and speeding or a violation resulting from fatigue driving, continuous driving, longs hours of driving or lack of rest hours.

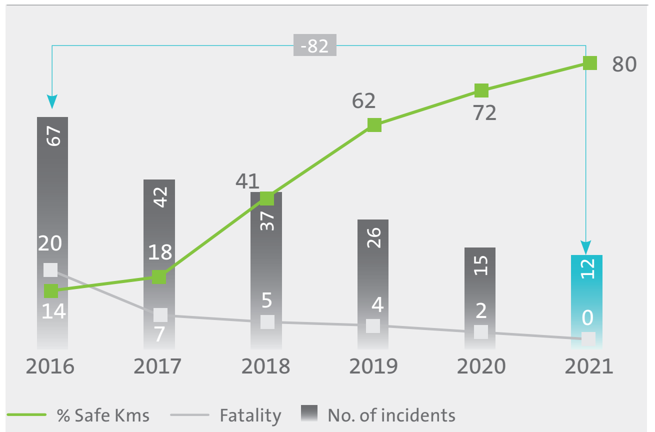
Onboarding new drivers

Every year, we induct more that 1,500 new drivers per month who go through a robust induction process with Defensive Driving Induction at the DMC. The driver has to qualify an in-cab assessment comprising of four hour classroom session followed by two hour on-the-road assessment within three months of joining. Every two years, there is a mandatory refresher course for in-cab assessment.

Safety performance in 2021

Strong safety performance was delivered during the year with the higher safe Kms, which increased from 72% in 2020 to 80% in 2021, and up from 14% in 2016. We have also observed a significant decline in critical incidents and recorded first ever zero recordable fatality year in 2021. The improvement reflects our continued commitment to road safety.

Logistic Incident - Critical (%)



Zero
Recordable fatality in 2021

82%
Reduction in critical incidents in 2021 over 2016

80%
Safe Km in 2021

PILLAR 4: PEOPLE AND COMMUNITY

Community development

Our CSR activities play a vital role in the socio-economic development of communities in the vicinity of our manufacturing plants. We have constituted Community Advisory Panel (CAP) across our locations to drive community development projects in an effective and transparent manner.

ACC develops the annual CSR plans and defines the project goals, outcomes and impacts. The ACC Trust and its partner organisations implement all CSR interventions. The effectiveness of the programmes is assessed through regular field visits, monthly physical and financial MIS, and third-party impact assessment studies.

BOARD OVERSIGHT ON CSR

The CSR and Sustainability Committee recommends its annual plan to the Board of Directors for providing strategic guidance. The Board approves the annual action plan, which is then translated into action on ground. The CSR & Sustainability Committee monitors the progress of this action plan on a quarterly basis and also intervenes with corrective actions for improvement.

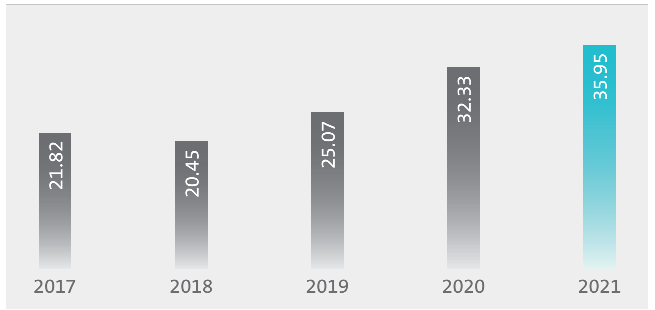
SOCIAL IMPACT AREAS

The major focus areas of community development programmes are aligned with the sustainability goals of the United Nations as well as Section 135 (Schedule VII) of the Companies Act, 2013. Three main focus areas are:

- Sustainable Livelihoods
- Quality of Education
- WASH (Water, Sanitation, Health and Hygiene)

CSR ROADMAP 2030

Going forward, ACC has realigned its CSR focus areas with business sustainability strategy 2030, sustainable development and ESG goals, and section 135 (Schedule VII) of the Companies Act, 2013. The new focus areas are Water Governance & Management, Sustainable Livelihood and Social Inclusion. We have started working with specialised and credible partner organisations, government bodies and other private players for bringing convergence, collaborations to achieve scale and impact.



Our key achievements

Sustainable livelihood

44,000+

Beneficiaries connected through women federations, farmer producing organisations and employable skill training

Quality education

25,000+

Beneficiaries impacted through digital literacy, online education, quality education, teacher training and scholarship for higher education

Wash (water, sanitation, health & hygiene)

5,00,000+

Beneficiaries positively impacted through malnutrition eradication, safe drinking water, sanitation and health and hygiene initiative

PILLAR 4: PEOPLE AND COMMUNITY

Community development efforts

COLLABORATIVE WATER MANAGEMENT IN COMMUNITIES

Working with communities, ACC Trust is helping enhance water availability in nine villages across eight gram panchayats in Maharashtra. A community interaction-intervention model is used to further the objective of ensuring adequate water supply for drinking and irrigation purposes, which is a major challenge today. In the early phases of the project, a community mobilisation-focused group was formed, along with Water User Association (WUA) committees, to identify and understand the needs and priorities of farmers. The community was expected to contribute 20% of the costs of the restoration work.

The following activities were undertaken for maintaining water supply:

- Construction of cement nala bund and repair of existing cement nala bunds
- Promotion and installation of drip / micro irrigation to control the flood irrigation.
- Farm pond and pond de-siltation

With the help of these water conservation structures and activities, the water availability in the area has increased significantly. Now water is available upto 3 months after the monsoons, enabling 671 hectares of land to be cultivated.

FS6 ACC Vidyasaarathi Scholarship for students

Under this programme, we provided scholarships worth ₹1 Crore to over 2,400 students for pursuing under graduate programmes in 2021-22. The programme supports underprivileged students residing near the ACC plant locations who cannot afford quality education. These scholarships encourage them to overcome their financial constraints and pursue their chosen career path.

Our COVID response

Distribution of masks and emergency ration kits

3,53,344 Masks stitched and
3,38,457 Distributed

19,717
Distressed community members supported through dry ration and cooked food packets

Awareness building

1,06,025
People reached through mass awareness and tele-counselling (mental health awareness) sessions

1,67,968
People reached through disinfection drives

Providing community health infrastructure support

420
Jumbo oxygen cylinders provided to government hospitals & COVID-care centres

6
Dedicated ambulances for COVID support

16
COVID-care centres provided with essential support items

8
Oxygen plants installed at Tikaria, Thondebhavi and Chanda, Bargarh, Wadi, Gagal, Lakheri and Ametha Actively partnering with the government for pushing vaccination drives

FS7 Our flagship skill development programme - DISHA

Development Initiative on Skills for Holistic Development (DISHA) is a programme that aims to provide livelihoods to unemployed youth around plant locations. Under this programme, training, skilling and placement assistance are provided and self-employment initiatives are encouraged. The award recognises DISHA's efforts to develop market-oriented skills in these youth. DISHA has 17 centres and takes an innovative approach to solving the problem of unemployment.

17,915
youths have been trained through these centres so far

DISHA wins award at 19th FICCI CSR Awards 2021

FS8 Lift irrigation project on Rajasthan's Mej river

ACC Lakheri Cement Works conducted a need assessment study at Kankara Dunger village in Rajasthan, which faced water scarcity during dry season. Farmers from the village were unable to irrigate their fields in summer. ACC Trust enlisted technical partners to implement lift irrigation using a 3.6 km long pipeline to connect the Mej river in Rajasthan's Bundi district with the Kankra Dunger village. Regular capacity building training programmes for farmers were organised. ACC also initiated a water user group called "Balaji Jal Utthan Samiti, Kankara", to whom the project has been handed over to operate and maintain the entire lift irrigation system.

1,233
Beneficiaries in the village

3.6 km
Pipeline

1,200 Bigha
Land irrigated

Supply chain management

Enhancing responsible procurement

ACC is committed to a sustainable supply chain. We ensure that our suppliers are compliant with applicable laws and regulations and their performance on sustainability criteria is assessed, as a part of our Code of Conduct.

Our business code of conduct has additional supplier compliance criteria which require suppliers to comply with all applicable anti-corruption laws and regulations. There is a zero-tolerance policy towards any form of bribery, corruption, extortion and embezzlement. Suppliers must ensure fair and decent working conditions for their employees and employ children below the age of 18. Suppliers' employees are required to be paid as per the local rates prevalent at their manufacturing location, or the minimum wage stipulated by national law, whichever is higher, and should be eligible to receive benefits from social security schemes as per accepted national legal and labour standards.

ROAD SAFETY

Road Safety is a focus area for ACC and involves driver welfare measures like rest shelter, high quality food, recreation facilities, etc. for their comfort and well-being. To build stronger trust and belongingness among ACC's driver community, initiatives like Vidyasaarathi scholarship and support for enrolment into various government schemes for their children have been undertaken. Moreover, the Company has facilitated vaccination drives at our sites for the driver community.

Our road safety efforts on pg 80

Celebrating 25 years of supplier relations

We strive to build long lasting, fair and transparent relationships with our suppliers. When Mithila Group of Industries, our packaging material partner, completed 25 years of alliance, ACC's Non-Executive, Non-Independent Director, Mr Neeraj Akhoury felicitated them for their invaluable contribution to ACC. This recognition has encouraged our partners to up their performance and enhanced our goodwill with our suppliers.

Relationship management

ACC has a strong pan-India channel network consisting of 13,000 dealers and 56,000 retailers and sub-dealers, who help to service the nation's requirements for high-quality cement and building materials.

DIGITAL EFFORTS

We use an ecosystem of digital applications and interphases to gather information from various customers, dealers and channel partners and analyse data. This improves our ability to engage with them and serve them better.

ACC PREMIER LEAGUE

Each year, we engage with our dealers through several local events. ACC Premier League is one of our largest events, where the top performing dealers are felicitated. This year, 38 dealers attended the event in Mumbai, following all COVID protocols. The dealers met ACC Leadership team, discussed market situation and shared their stories of growth together.

Key digital efforts

- ACCHelp website for construction guidance and tools for home builders
- Service Connect for the customer service field team to monitor changes in the market
- Atoot Bandhan Contractor Application for contractor relationship management
- Contact Center to address concerns and grievances of home builders and other stakeholders
- Concrete Club Application as a niche social network for exclusive set of engineers and architects

TOGETHER EVERY STEP WITH CUSTOMERS

Independent home builders hold a key share of our retail customer group. To effectively guide them in their building needs, we have instated multi-fold interventions at various stage of home building. For example, we have developed standardised communications that support them in tasks such as basic material selection and application checks. Similarly, our expert field agents handhold them in critical phases of construction, such as slab casting, helping design scientifically built structures that stand the test of time.

67,000
Application demonstrations by ACC field engineers and counting

84,000
Slab Castings supervised by our field engineers

Houses of Tomorrow

The 'Houses of Tomorrow' initiative is a global initiative for building sustainable homes with a focus on low CO_2 building materials. Globally, five houses have been constructed across in different geographical and climatic conditions using low carbon building materials across the three most carbon-intensive categories, namely cement, bricks and steel. This initiative also explores innovations in application techniques and climate responsive passive design.

Gratitude EcoVilla, India's Houses of Tomorrow initiative

This 4,500 sq ft sustainable house in Tamil Nadu was built with ACC ECOPact Concrete, ACC Suraksha mortar, plaster, fly ash bricks and recycled steel.

>40%
Reduction in CO_2 emission from building materials

~50%
Anticipated reduction in electrical energy for cooling


Gratitude EcoVilla

Delivering last-mile customer support

To multiply our customer reach and brand touchpoints, we launched 'Help Bikes' in South and West India. The Help Bike Service is an 'on-the-go' support mechanism for our customers who need on demand services and consultation on scientific and efficient building practices. The Help Bikes come with a mounted standardised service toolkit, and a qualified civil engineer to service customers. The customers avail services such as, quality check of materials used and receive guidance on tasks such as concrete proportion setting.

The highly successful Help Bike initiative strengthens our service levels and increases our engagement with customers.

75,000+
Customers covered through Help Bikes till date

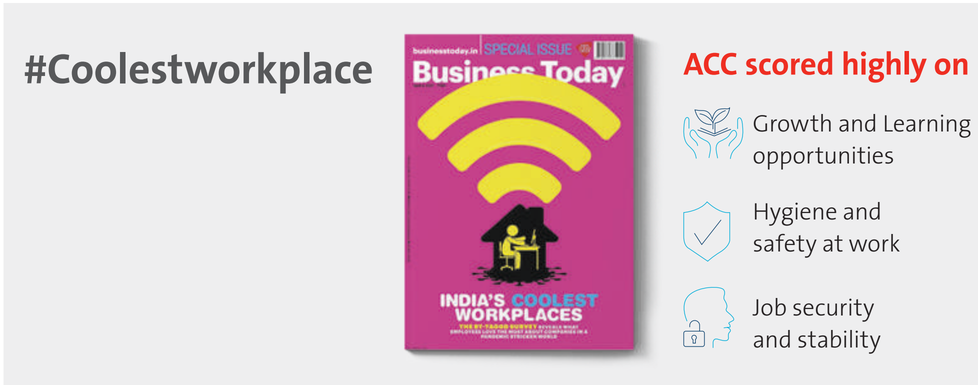
Contribution to UN SDGs

SDGs with significant contributions (**highlighted in the above diagram**):
SDG 1, SDG 4, SDG 6, SDG 8, SDG 9, SDG 11, SDG 12, SDG 13, SDG 15 and SDG 17

Awards and recognition

ACC recognised with 'A' Score for climate change by Carbon Disclosure Project

Solar Impulse Foundation's Efficient Solution Label awarded to ACC Gold Water Shield Cement



ACC has been ranked amongst top 25 coolest workplaces in India by Business Today

- Excellence in Energy Efficiency by Confederation of Indian Industries (CII) to ACC Bargarh Cement Works
- CII's Climate Action Programme (CAP 2.0°) award 2019 in the category of Energy, Mining and Heavy Manufacturing (EMHM)
- CII 3R award for 'Excellence in Managing Municipal Solid Waste to Geocycle
- FICCI CSR Awards 2021 to DISHA, ACC's flagship skill development programme
- 5 Star rating at the National Conclave on Mines & Minerals 2021 to ACC mines
- Gold award in 'COVID Protection Project' category at the India Health & Wellness Summit 2021
- International Conference on Sustainable Waste Management and Circular Economy (IConSWM-CE) Excellence Awards 2021 to ACC Wadi plant

ECONOMIC SCENARIO AND OUTLOOK

The Indian economy contracted by 6.6% during Fiscal Year 2020-21 (FY21), but witnessed steady recovery despite the COVID-19 related uncertainties. There were expectations of a strong double-digit recovery. But an intense second wave of COVID-19 pandemic, which resulted in localised lockdowns, derailed this growth and dampened consumer sentiment. The successful rollout of the world's largest vaccination drive, pick-up in government expenditure and better preparedness compared with the first wave limited the negative economic impact. The overall Consumer Price Index (CPI) inflation was at 6.0% in January 2022, and could remain elevated in the near future due to high input cost pressures, largely stemming from supply chain disruptions and upward pressure on crude oil. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) maintained its accommodative stance, retaining the repo rate at 4% and indicating that policy support to economic growth remains a priority. The Union Government plans to boost capital expenditure, with government spending taking the lead and attracting private investments in turn, but without derailing the fiscal deficit 'glide path' to 4.5% by FY26. The country's Gross Domestic Product (**'GDP'**) is expected to rebound by 8.9% in FY22 based on current government estimates. For FY23 real GDP growth is expected to be near 8.0% and fiscal deficit is projected to be at 6.4% of GDP, lower than the fiscal deficit of 6.9% of GDP for FY22.

Cement industry: outlook and opportunities

India is among the top cement producers in the world, with an estimated cumulative installed capacity of 551 Million Tonnes per annum (**'MTPA'**) in 2021. It is also the second largest consumer of cement, though per capita cement consumption remains below the global average, leaving significant headroom for growth. Cement demand grew by 11-13% YoY in CY 2021, following an 8.6% contraction the year earlier. The demand growth was especially strong in the first three (3) quarters of 2021, but heavy unseasonal rain and shortage of sand in some regions had a negative impact in the last three (3) months of the year. Continuing demand for affordable housing in rural areas, pent-up demand in the urban builder segment, and government infrastructure spending remained the major drivers for cement consumption. Demand from the industrial and commercial segments was relatively more tempered.

In CY 2022, cement demand is estimated to grow above 7.0% YoY, with the structural growth drivers like housing and infrastructure development gathering momentum. The Union Government reiterated its thrust on affordable housing and public investments in core infrastructure sectors, which bodes well for cement demand. The Union Budget 2022-23 has set a target of completing the construction of 8 Million houses under Pradhan Mantri Awas Yojana and 25,000 km of highways and roads during FY23. Special focus has been given to multi-modal logistics and development of cargo terminals, with infrastructure status being accorded to data centres and energy storage systems.

7%

Estimated growth in cement demand in CY 2022 (YoY)

Sales volume

In 2021, the Company's cement sales increased by ~13% to 28.89 Million Tonnes (MT) from 25.53 MT in 2020. The industry registered a growth of 11-13% on the back of strong market recovery in the first half of FY22, but lower secondary demand in the second half resulted in de-growth.

The individual home builders and ground plus three-storey (G+3) buildings in the retail segment continue to be ACC's largest customer segment both in terms of volume and profitability. The demand from these sectors is expected to accelerate on the back of growing urbanisation and rural empowerment.

Significant changes in key financial ratios (Standalone)

Ratios	2021	2020	Change	Change %
Debtors Turnover (Days)	11	15	(4)	26*
Inventory Turnover (Days)	29	31	(2)	7
Interest Coverage Ratio	-	-	-	-
Current Ratio (Times)	0.92	1.00	(0.08)	8
Debt Equity Ratio	-	-		
Operating EBITDA Margin (%)	19	17	2	9
Net Profit Margin (%)	12	10	2	10
Return on Net Worth (%)	13	11	2	14
Net Worth (₹ Crore)	14,228.43	12,661.44	1,566.99	12

* Debtors Turnover days has decreased due to better collection and strict credit norms.

Market development

ACC pioneered cement production in the country and remains India's foremost cement producer, playing a definitive role in the country's growth trajectory while retaining a loyal customer base. It also has a strong pan-India channel network that includes ~13,000 dealers and ~56,000 retailers/sub-dealers, who help the Company cater to the country's need for quality cement and building materials. This strong network has driven ~79% of cement sales in the retail segment in CY 2021.

Strong distribution network

The Sales and Marketing teams of the Company have garnered deep understanding of customers' changing preferences and

requirements, enabling ACC to maximise capacity utilisation through better product mix and driving efficiency in the supply chain by reinvigorating the dealer network.

The Company believes in responsible growth and as part of its sustainability strategy, it has been reducing the contribution of Ordinary Portland Cement (OPC) to the product portfolio. At the same time, it has been taking measures such as appointment of new channel partners and enhancement of wallet share per counter to manage the dealer channel effectively as part of its growth strategy in key markets. It has also managed to retain a strong connect with retail customers who are served by the dealer channel.

Gold Water Shield (Water Repellent Cement)

ACC's water-repellent 'Gold Water Shield' cement, which was launched in 2013 continues to be the market leader in the premium cement category, registering healthy growth. The water-repellent property of the product results from minutely controlled process changes under a sustainable environment, with adjustments in the raw material dosage. Blended cement products of the Company have also earned certification from CII-GreenPro and Solar Impulse.

Beyond cement and ready-mix concrete

ACC has diversified across cement and concrete, and has created new building material categories such as construction chemicals, dry mix products and admixtures for ready-mix concrete solutions. The Company has focused more on developing and promoting green and sustainable products, which lower the carbon footprint of overall construction. ACC ECOPact, JETSETCRETE and Ultivacrete were launched under the Company's RMX vertical. The Solutions &

Products vertical witnessed launch of Leak Block 101 Water Proofing Plaster, whereas in the dry mix range, the Company introduced Premium White Adhesive, Self-curing Plaster, Grout and Fibre reinforced mortar. Distribution of construction chemicals, cement coat and dry mix range has also steadily expanded across all regions.

Green Building Centres

Green Building Centre (**'GBC'**) is another unique triple bottom line initiative of ACC. It currently has more than 150 partners across the nation, who support the Company's business outcomes as well as its sustainable development goals. This business has attracted more than ₹1,200 Crore investment from the partners.

During 2021, the Company assisted in setting up 40 new GBCs, bringing the total number of GBCs to 150 by the end of December 2021. Together, the GBCs have helped in the utilisation of 88,058 tonnes of fly ash, conservation of 1,90,792 tonnes of the Earth's natural topsoil and avoidance of 13,429 MT of CO_2 emissions during the year. This initiative also facilitated construction of 33,338 low-cost houses. In 2021, the total number of direct beneficiaries at GBCs were ~2,800.

The Company effected a change in its strategy during 2021 to promote greater productivity and establish new business lines. It appointed bigger partners over a larger geography. All the parameters of business and sustainability can be expected to be benefited by this recalibration. The changed strategy resulted in an increase in the number of houses from 31, 477 in 2020 to 33,338 in 2021.

In the next couple of years, the replication of GBCs and the returns are expected to play an important role for the Company and its partners.

₹1,200 Crore

Investment from ACC's 150 partners in the Green Building Centre initiative

RELATIONSHIP MANAGEMENT

ACC regularly engages with its stakeholders and provides them necessary information on launches and other important business decisions that add value to their business through its newsletter like ACC Sambandh. ACC Sambandh, published in six (6) regional languages, celebrates the excellence of the Company's pan-India channel partners. Bandhan, a contractor newsletter, is published in ten (10) regional languages and focuses on engaging with the contractor community through inspiring stories, construction tips and so on. The Indian Concrete Journal (ICJ), a monthly publication since 1927, gives its readers in the academia and industry relevant information on the construction sector and its future prospects.

The Company has been using digital technology to connect with its consumers and focusing on increasing this engagement while scaling up brand visibility on digital platforms by creating attractive content and disseminating information relevant to its customers. Extending the brand promise, the 'Kamaal Ki Kahani' series celebrates the success of exceptional contractors. 'Kamaal Ki Baat' is another series that provides snippets of information on innovation and the expertise of engineers and architects. Through the 'ACC Knowledge series' webinars, experts share details and insights into various aspects of construction. The ACChelp website simplifies technical aspects related to different stages of the construction process that independent home builders need to know. In addition, a strong social media presence and efficient digital marketing have helped the Company gain more visibility for the mother brand and for its various products.

The Company has been enhancing the experience of its business partners and customers through various mobile applications. The Dealer Connect App helps engage channel partners, enabling them to place orders and track ledger accounts. The Atoot Bandhan App manages contractor loyalty, and the Concrete Club App acts as a platform connecting construction professionals such as architects and engineers.

The Company offered virtual site services *via* 'Connect to build' during the lockdown which helped it to remain connected with its channel partners, home builders and influencers. Dealer engagement has been stepped up through a bi-monthly newsletter, ACC Sambandh, which empowers dealers by providing them key corporate and regional information, insights into the Company's affairs, new launches, latest innovations and marketing campaigns, as well as customer service initiatives.

INNOVATION

ACC has created an enduring position for itself through its category-first innovations, and retains its lead in creating sustainable, innovative, and differentiated solutions in order to realise its vision of becoming a 'Building Materials Company'. What has made this possible is the R&D framework and knowledge sharing by Holcim Innovation Centre, together with the expertise of the India Innovation Centre. The impetus towards new ideas, leading to new prototypes has received a boost from the Company's partnership with leading B-schools, design schools and engineering colleges, and tie-ups with start-ups. ACC's innovation backbone has reaped significant benefits for the Company and helped it achieve cost efficiencies in the areas of energy, raw materials sourcing, logistics, customer excellence and manpower optimisation, leading to significant improvement in productivity.

Digital technology and digitalisation are inseparably connected to this innovation drive. The Company has been using digital technologies across a wide swathe of operations, from improving operational efficiencies to driving strategic data-driven decision-making. The 'Plants of Tomorrow' initiative showcases the Company's focus on digitalisation in manufacturing, whereby data from all key assets at the plants are recorded by technical information systems record every minute. Industrial Internet of Things (IIoT) is also being implemented by the Company, which is also using Artificial Intelligence/ Machine Learning (AI/ML) to gauge cement strength and quality. For better logistics management, the Company has launched an integrated planning tool that enables demand consolidation, constraint-based supply plan and network optimisation. The Transport Analytics Center (TAC) has led to significant savings through route and lead correction. Initiatives such as Blue Yonder, e-Proof of Delivery, fleet management, e-tenders, supplier platform, reverse auction tools, dealer connect, concrete direct and sales force automation are other areas in logistics, sales and operational planning which aid in cost and time savings by leveraging technology.

Technology knowhow (TKH) of Holcim, the parent company, has enabled the Company to access best-in-class testing processes at its labs and implement new ideas to prepare specially formulated application-oriented novel cement products. The knowledge sharing has also made possible the introduction of global brands like ECOPact – the Green Concrete to the Indian market.

Cement Business – Performance

Particulars	2021	2020	Change %
Production (MT)	26.92	23.77	13
Sales Volume (MT)	28.89	25.53	13
Net Sale Value* (₹ Crore)	14,772.36	12,658.17	17
Operating EBITDA (₹ Crore)	2,902.96	2,292.07	27
Operating EBITDA Margin (%)	19.65	18.11	1.54 PP

* Includes sales to RMX

ECOPact – the Green Concrete

A global brand of Holcim Group, introduced by ACC in the Indian market

COSTS – CEMENT BUSINESS

During 2021, various cost management strategies were followed by the Company.

- **Cost of materials consumed**
  In 2021, the raw materials cost for the Company was higher by 12% per tonne of cement *vis-à-vis* 2020. Landed cost of slag was higher by 28% and that of fly ash was higher by 7%. However, for gypsum, the landed cost was lower by 4% compared to that of Previous Year (**'PY'**).

3%
Increase in usage of conditioned fly ash/ wet fly ash in 2021 vs PY

- **Power and fuel**
  The cost of power and fuel increased by 31% in 2021 *vis-à-vis* that in previous year driven by external market dynamics. Kiln fuel cost increased by 40% although the Captive Power Plant (CPP) fuel cost remained the same as in 2020. During the reporting period, the Company made consistent efforts to reduce the cost of power and fuel by using both domestic and international coal and petcoke, as also Alternative Fuel and Raw Materials (AFR).

  One of the key reasons for the Company's success in reducing energy cost per tonne of cement was the ability to make full utilisation of available assets. ACC is also optimising power mix and enhancing the utilisation of renewable power including solar, wind and hydro power.

  ACC continues to use power produced by its onsite and offsite solar plants in Chhattisgarh, Uttar Pradesh and Karnataka, aggregating to more than 51.85 MWp solar power and 19 MW wind power. Another 30 MWp offsite solar project in Chhattisgarh has been commissioned and is expected to begin production by early 2022. In addition, the Company's plants at Thondebhavi and Kudithini in Karnataka sourced more than 60% of their power requirement from renewable sources (solar and wind).

  The short-term sourcing of wind and hydro power from Karnataka and Himachal Pradesh helped the Company reduce its power cost during the pandemic. ACC as part of its commitment to the Net Zero Pledge is in the process of adding 38.7 MW of additional Waste Heat Recovery System (**'WHRS'**) to its existing WHRS capacity of 7.5 MW. By 2022, the total WHRS capacity would be 46.2 MW. We will continue our journey to add renewable and green energy in our portfolio as part of Net Zero Commitment.

46.2 MW
WHRS capacity by 2022

6.5%
Green Power (Renewable + WHRS) contribution in total power consumption during 2021

- **Freight and forwarding expenses**
  Various cost improvement measures were undertaken in 2021 to combat disruptions caused by the COVID-19 pandemic and rising fuel prices. The Company managed to keep the freight and forwarding expenses flat despite significant increase of ~25% on diesel prices. Rigorous initiatives to improve efficiency, reduction of wasteful expenditure, improved direct dispatches, optimisation of the warehouse network and higher Master Supply Agreement volumes were some of the measures that helped achieve this. With the efficient use of technology and network optimisation tools, the Company hopes to integrate its supply chain and retain its competitive edge.

MASTER SUPPLY AGREEMENT ('MSA')

The Company has an MSA with the Holding Company, Ambuja Cements Limited (**'Ambuja'**). The MSA was approved by the shareholders of the Company in the year 2018 for a period of three (3) years. Considering the benefits of the MSA, the same was renewed in 2021 for a further period of three (3) years.

During the year, the Company produced and sold 8.58 Lakh Tonnes to Ambuja on account of the MSA, which has helped in terms of increase in volume and profitability. It has also helped the Company in (i) achieving synergies and economies of scale; (ii) bring efficiency in operational and logistics costs; (iii) strengthen sustainability in terms of use of fuel and other resources, and conserve natural resources. The Company will continue to explore the MSA arrangement with Ambuja for higher revenues and profitability.

Considering the regulatory changes brought by SEBI in the Listing Regulations, the Company will be approaching shareholders at the ensuing Annual General Meeting for approval of the the MSA and other Related Party Transactions (**'RPTs'**) with Ambuja, as the value of all such RPTs is likely to exceed ₹1,000 Crore.

CAPACITY EXPANSION

Capacity augmentation projects and capex initiatives are integral to the Company's growth agenda.

The capex projects undertaken earlier in the Central and Eastern regions are progressing well and on track for timely completion. The Company ensures that it has reasonable capacity to cater to this rising demand scenarios in the Central and Eastern regions.

In this regard, the Company has undertaken to increase clinker capacity by 2.7 MTPA and cement capacity by 4.8 MTPA, which are as follows:

Ongoing projects

- Greenfield integrated cement plant at Ametha, Madhya Pradesh with a clinker capacity of 2.7 MTPA and a cement capacity of 1 MTPA PPC is expected to be commissioned by Q2 of 2022;
- Expansion of existing grinding unit at Tikaria, Uttar Pradesh, with a 1.6 MTPA PPC cement;
- Greenfield cement plant at Salai Banwa (Grinding Unit) with a cement capacity of 2.2 MTPA is on track.

READY-MIX CONCRETE ('RMX') BUSINESS

Organisational versatility helps adjust to new normal

CY 2021 started with the belief that the worst of the pandemic was over, but the Delta variant left a larger population infected than the first wave. After witnessing a few green shoots in Q1 of Financial Year 2021, the RMX business also was hit hard by the second wave in Q2. The RMX business remained muted in Q3 as well, due to abnormally heavy and extended monsoon. It was not before Q4 that the RMX business started witnessing some improvement in demand.

The Company's overall focus on 'Health, Cost and Cash', and organisational versatility, helped the RMX business adjust to the new normal. Strategies were reframed for the RMX business to bring it back on track. As a result, the RMX business ended the year on a positive note, which is evident from the results. The Company also managed to overcome and address the challenging potential bad debts which the RMX business witnessed in the Financial Year 2020.

RMX Business - Performance

Particulars	Unit	2021	2020	Change %
Ready Mix Concrete Sales Volume	Lakh m^3	28.09	22.70	23.73
Net Sale Value	₹ Crore	1,241.66	955.42	29.96
Operating EBITDA	₹ Crore	97.44	60.08	62.18
Op. EBITDA Margin	%	7.85	6.29	1.56 PP

Value-added solutions

ACC's RMX business continued to work for niche products and created varied construction products and solutions.

Value-added solutions, which make up 27% of the total RMX sales, play an important role in the RMX business, leading to more customer-focused, solution-driven sales. The year saw a 4% YoY increase in sales of value-added solutions. The Company successfully launched ECOPact – The Green Concrete during 2021. ACC's R&D team continues to work on various new initiatives and products.

27%
Contribution of value-added solutions to the total RMX sales

Green products

ECOPact – The Green Concrete is a low CO_2 concrete with a minimum 30% reduction in embodied carbon. The product is designed for sustainable construction needs and makes possible 30-100% CO_2 reduction, which takes ACC a step ahead in its commitment to protect the environment and ensure intergenerational fairness when it comes to the environment. A GreenPro certified product, ECOPact has earned green points from Indian Green Building Council (IGBC).

ECOPact sales now make up 8% of the total RMX sales. The product was launched in Mumbai in January 2021 and rolled out across India by March 2021. The Company is focusing on capability building of the sales force, value communication for customers along with partnering nodal agencies and consultants, to scale up sales.

ACC RMX has both Environmental Product Declaration (EPD) and GreenPro certification. As on date, ACC RMX offers eight (8) products, which have also been certified as eco-labelled/green products. The RMX team is now diligently working on developing carbon-neutral concrete and Ultra High Performance Concrete (UHPC).

ACC has a nationwide network of 78 state-of-the-art RMX plants. For the past 29 years, the RMX business of the Company has shaped the country's construction sector while producing innovative products, enhancing service standards and delivering value to customers.

DISCUSSIONS ON FINANCIAL PERFORMANCE *VIS-À-VIS* OPERATIONAL PERFORMANCE

For details on financial performance *vis-à-vis* operational performance.
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INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

For details on internal control systems and their adequacy
Board's Report pg 111

SUSTAINABLE DEVELOPMENT

Ever since ACC revisited its sustainability strategy and restated its targets for each pillar in 2019, it has made significant progress across each pillar. Although COVID-19 pandemic has impacted the Company's overall operations, it performed well in most of the pillars, the details of which are given below

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A. Climate and energy

CY 2021 has been a significant year for ACC for its climate related progress and efforts. The Company has reduced its specific carbon emissions to 488 kg/T of cementitious materials in comparison to 493 kg/T in 2020. Some of the levers affecting the CO_2 emissions, such as clinker factor and Thermal Substitution Rate (**'TSR'**) have improved over the last year, resulting in reduced carbon footprint in 2021.

- **Clinker factor**
  The Company has been reducing its average clinker factor across the entire range of its product portolio. In 2021, ACC increased the contribution of its blended cements from 90.3% to 91.2% to the portfolio. These initiatives helped it significantly reduce the average clinker factor by 1.42%.

- **Thermal energy**
  ACC continued its efforts to reduce thermal energy intensity. The thermal energy intensity during 2021 was retained at the same level as in 2020, i.e. 743kCal/kg clinker.

The Company will continue these efforts as they form an integral part of its efforts at carbon emissions reduction.

- **Green energy and power generation through waste heat recovery system**
  In 2021, ACC's captive wind farms in Maharashtra, Tamil Nadu and Rajasthan together generated almost 31.55 Million units of renewable energy. Solar PhotoVoltaic plants at Jamul Cement Works, Chhattisgarh and at Kymore mines have generated 7.53 Million units in 2021. Additionally, Power Purchase Agreements and open access formed avenues through which renewable power of 66.26 Million units was sourced and consumed by the Company.

  A total of 102 Million units of green energy were consumed in 2021, which is higher than last year's consumption; 43 Million units of power were consumed from the WHRS installed at Gagal Cement Works during the year. ACC's WHRS projects at two (2) plants in Jamul (Chhattisgarh) and Kymore (Madhya Pradesh) are in an advanced stage and slated to be completed in 2022.

- **Alternative fuels and raw materials**
  Given its multiple benefits, co-processing of waste in cement manufacturing is gaining momentum in India. This makes it possible to conserve fossil fuel and raw materials and reduce the carbon footprint while saving public funds which would otherwise have been spent on waste disposal through landfilling and incineration. This is also socially beneficial as it generates employment and curtails the spread of diseases caused by failure to adequately manage municipal solid waste. ACC has set up two (2) pre-processing facilities and enhanced co-processing at seven (7) plants in order to promote the efficient disposal of hazardous and non-hazardous waste, the use of municipal solid waste as Refuse Derived Fuel (RDF) and biomass (non-cattle feed) in its kilns, wherever this is legally permitted.

  Geocycle, its waste management arm, helps ACC contribute to safe waste management solutions in industries and municipalities and increase the utilisation of alternative fuels in cement kilns. The Company has been building up stakeholders' awareness on these issues through its advocacy in appropriate forums. With consumption of alternative fuels of 284551 tonnes, recording growth of 19% YoY, the Company has achieved TSR of 7.25% in 2021 comparad to 6.93% in 2020.

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7.25%
TSR in 2021, compared to 6.9% in 2020

B. Circular economy

ACC adopts and promotes the circular economy concept by utilising various types of waste from other industries, termed Waste Derived Resources (**'WDR'**), into the cement manufacturing process. The Company has been using waste materials from power and steel industries, such as fly ash and slag, as replacement for clinker in the cement, and making possible co-processing of waste as part of its efforts to promote a circular economy. During 2021, ACC consumed 6.71 MT of fly ash, 2.96 MT of slag, 0.91 MT of synthetic gypsum including Phosphogypsum, and 0.51 MT of alternative fuels and raw materials in cement manufacturing. Additionally, 0.27 MT of WDR, including fly ash and slag, were consumed in cement production. The total WDR consumption of the Company in 2021 was 11.36 MT.

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11.36 MT
Waste Derived Resources consumption in 2021

C. Environment

Several measures were undertaken during the year to promote water conservation and harvesting. These included close monitoring of water consumption and withdrawal, augmenting of water harvesting structures in communities, and optimisation of processes. Specific freshwater consumption in cement operations has reduced from 78 litres/tonne of cementitious material to 74 in 2021. ACC also reduced its specific water consumption by 136 litres/tonne of cementitious material in 2021 as compared to 151 litres/tonne of cementitious material in 2020. Contribution of harvested water used in ACC's cement operation was 45.5% of its total water consumption.

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Biodiversity
During the year, ACC continued with its measures towards nature conservation and biodiversity preservation. Efforts to conserve specific flora and fauna formed part of the 'B-Buzz' project. Additionally, in 2021, the Company planted ~1 Lakh trees at its various plants and mining locations. Apart from this, plantations were set up at many plant locations and colonies.

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Emissions
Emissions are an inherent part of cement production. Aware of its responsibility to limit carbon emissions, the Company makes it mandatory for all its sites to measure and manage air emissions as much as possible. During the year, ACC worked towards improving its emissions and the surrounding environment. Brief details of these initiatives are given below:

- **Dust emission control**
  During the year, maintenance activities were conducted through in-house and third-party teams for upgradation of Electrostatic Precipitators (ESP), replacement of damaged bags and so on. The measures together resulted in reduced stack dust emissions in cement plants at <30mg/Nm^3.

- **NOx emission control**
  ACC has undertaken both primary and secondary measures to control NOx emissions and implement Selective Non-Catalytic Reduction (SNCR) systems in integrated cement plants.

- **SOx emission control**
  Given that ACC's emissions are within limits prescribed by the pollution control authorities, the Company is not required to undertake major emission control measures with regard to SOx emissions. It is mandatory for cement plants to report on a real time basis ambient air quality, effluents and process emission on the websites of regulatory authorities, and ACC complies with this requirement. It monitors its plants' stack emissions (dust, NOx and SOx) through the Technical Information System (TIS) that has been commissioned at most of its plants. This provides information on process and emission parameters to senior management at the plant and the corporate office.

D. People and communities

Aspects related to this pillar are covered in the following section:

Corporate Social Responsibility initiatives

ACC conducts its social development interventions through the ACC TRUST. The usual community development programmes were continued with vigour during the year, which also saw a widening of the scope of these projects. This year, special focus was given to sustainable livelihood, malnutrition mitigation, water conservation and combating the COVID-19 pandemic situation along with initiatives on the regular CSR thematic areas of Sustainable Livelihood, Quality of Education and WASH (Water, Sanitation and Health-Hygiene). These programmes are in accordance with Schedule VII of the Companies Act, 2013 and in alignment with United Nations Sustainable Development Goals.

ACC's total CSR expenditure during the year was ₹35.95 Crore. This was 2.03% of the average net profit of the last three (3) years. Community development projects benefitted over 5 Lakh people in more than 150 villages and nine (9) municipal areas across the country. The sustainable livelihood (DISHA) initiative benefitted more than 44,000 lives, including youth, women and farmers.

ACC's agriculture related initiatives have helped 5,470 farmers to reduce input costs and increase agricultural production. ~1,643 youths were provided skill enhancement training and made employable. Women Self-help Groups (**'SHGs'**) were created, which provided continued guidance and bank linkages. ~16,000 women have been associated with 1,529 SHGs and 4,497 SHG members were provided microenterprise development training during the year.

Education initiatives around the Company's plants reached ~25,000 students during 2021. Digital education, smart classes and interactive kiosks, learning aided the students to learn in a better way. More than 1,200 Vidyasarathi scholarships were provided to students for higher education.

ACC supports seven (7) government-run Industrial Training Institutes (ITIs) under the public-private partnership scheme with the Government of India.

WASH initiatives addressed community requirements for safe drinking water and better health through malnutrition eradication, health camps and waste management in collaboration with municipal bodies. 57 water conservation structures were created in villages across plant locations to conserve water and ensure its availability during lean periods for irrigation and drinking. The Company also helped recharge defunct borewells, dry wells and in-situ moisture conservation, which increases farm yields.

ACC's initiatives to eradicate malnutrition helped more than 20,000 children, and provided them access to better health and nutrition through 330 Anganwadi centres supported by the Company. General and special health camps benefited about 10,000 community members. Through the ART Centre, the Company provided valuable support to more than 900 patients through OPD counselling, testing and treatment for HIV/ AIDS; ~1,000 truck drivers benefited through the health screening programme.

₹35.95 Crore
CSR expenditure in 2021

5 Lakh+
Lives touched

COVID efforts

During the second wave of the COVID-19 pandemic, the Company, along with the district administration of the plant locations, reached out to more than 4 Lakh people. By mobilising oxygen cylinders and concentrators, medical oxygen was immediately provided to those in need in hospitals. The Company established eight (8) medical oxygen generation plants especially for COVID-19 patients. Ambulance services were arranged by the Company to take patients to hospital and isolation centres were established at plant locations for community members. Dry ration and cooked food were distributed to those in need in the neighbouring areas. ACC TRUST, through its empowered SHGs, manufactured and distributed over 3 Lakh masks to underprivileged populations. Regular disinfection and sanitisation drives were carried out within host communities. Mass scale awareness drives were conducted on the usage of masks, social distancing and hand washing. Frontline health workers were provided hand gloves, sanitisers and N95 masks to enable them to serve without fear.

3 Lakh
Masks manufactured and distributed to underprivileged population

HEALTH AND SAFETY ('H&S')

A new programme termed 'Critical Control Management' has been launched to focus on the eight Priority Unwanted Events (**'PUEs'**) which cause maximum number of incidents in the cement business across the Holcim Group. The programme has laid down 35 'controls' under 8 PUEs, the implementation of which will help reduce incidents across the operations.

Boots on Ground (**'BOG'**) is one of the most sustainable initiatives at ACC. In 2021, this initiative remained intrinsic to the Company's H&S governance and assurance system, which has reinforced the focus on the ground level and leadership engagement with frontline workers. Moreover, engagement on the shop floor has increased, which has increased the confidence of ground staff. Line Managers are spending more time on the field, which has helped the Company improve the Field Level Risk Assessment (FLRA), resulting in safe completion of jobs. The BOG hours have improved from 7,87,233 hours in 2020 to 10,91,145 hours in 2021.

19%
Reduction in LTIFR* in 2021

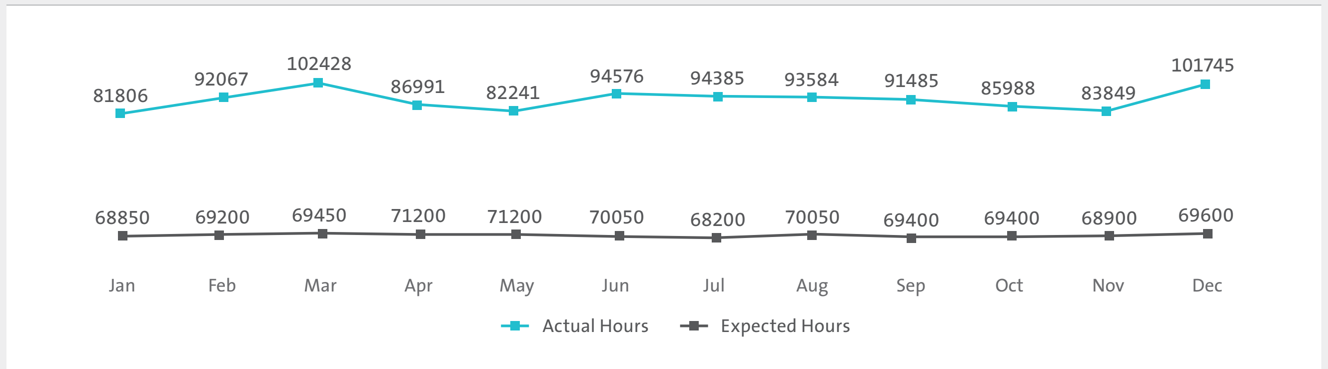
* LTIFR – Loss Time Injury Frequency Rate

H&S Performance of ACC

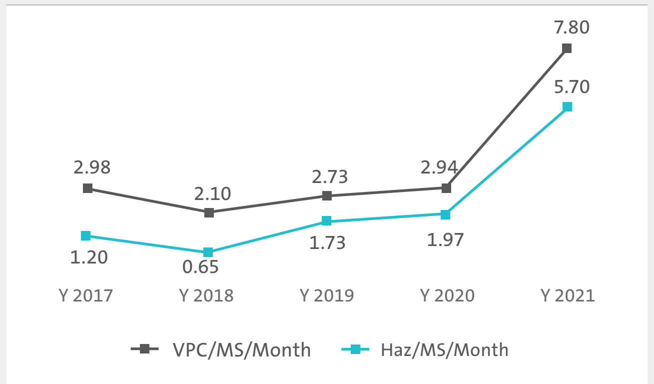
There has been substantial increase in Leading Indicators (BOG, Visible Personnel Commitment (**'VPC'**), Hazards and Near miss Reporting) in 2021. The details are as follows:

Leading indicators

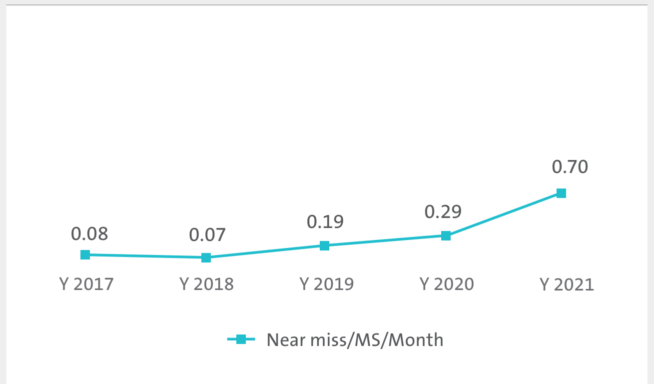
BOG hours



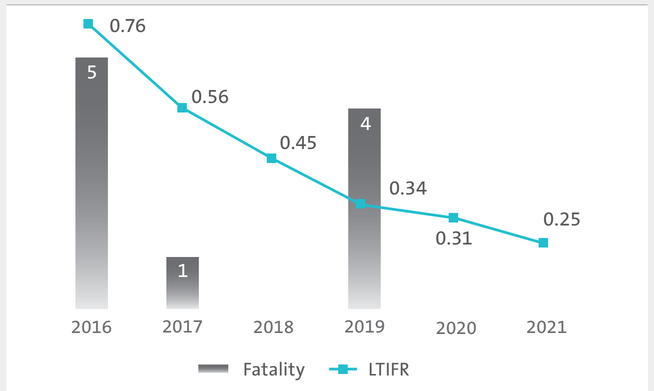
VPC & Hazards



Near Miss Reporting



Lagging indicators (Last six (6) years trend)



- 123+ Million safe Man-hours spent without major accident (fatality free)
- 13+ Million safe man hours spent on 7 projects
- 19% reduction in LTIFR from 2020
- 38% reduction in TIFR from 2020

Health, Safety & Environment Improvement Plan ('HSEIP') 2021

The plan was developed at the beginning of the year through a focused group discussion to identify key actions for the year. The plan contains six (6) H&S objectives with clear ownership of the top management. Each objective of HSEIP is developed to build on improvements in the areas of H&S Leadership, Health Management, Fatality Elimination Control, Critical Control Management, Logistics & Supply Chain Safety and Environment. The team has worked relentlessly for effective implementation of actions under each objective despite the difficulties created by the pandemic.

Critical Control Management ('CCM') programme

This CCM programme was launched to address the eight critical elements called PUEs in our operations, which were determined based on last five (5)years' data. Under CCM, ACC organised customised training for PUE owners, safety professionals and department heads at plants. This was followed by each plant conducting a detailed gap assessment for all PUEs leading to action plans to address the gaps. Internal audit for all the critical controls and 'Mission Focus', a virtual verification of critical operations, checked the effectiveness of controls at the sites in addition to providing a way sharing good practices across plants.

H&S Audit

The pandemic impacted the usual H&S audit undertaken by the Company. There were two (2) five-day long virtual group audits at Lakheri and Thondebhavi, along with one (1) two-day Group Verification audit at Bargarh. Five (5) internal audits were conducted in 2021, two (2) cross OpCo audits were conducted virtually and three (3) intra-plant audits were done physically after June 2021.

In July 2021, based on physical site visits and audits, safety gaps were found in LOTOTO and project sites. Hence dedicated audits were conducted on LOTOTO for all plants in August 2021 and at all seven (7) project sites between September-October, 2021.

Overall, audit compliance at the end of 2021 was 96%. Owing to the COVID-19 pandemic, the 2021 audit programme was restructured with five (5) man-days of remote audit with the audit team members and auditees around the globe with reduced scope of audit covering 15 Group standards. Audit was conducted with the use of digital technology such as Google Meet/ Zoom meeting for interviews together with camera phones and headset for remote 'visits'.

Field Level Risk Assessment ('FLRA') certification programme

Our learnings from safety incidents in 2020 led to the launch of FLRA programme to address the issues to inadequate incident investigation and risk assessment. The program is based on 'Train the Trainer' model and was conducted in collaboration with our in-house learning team ACC-Ambuja Learning Academy (AALA). About 130 functional heads from across plants were trained and 47 were certified as FLRA champion, who have in turn trained 879 participants across ACC.

Process Safety Management ('PSM') programme

During the year, we stepped up the implementation of PSM programme, which identifies safety gaps in dealing with coal shop and conventional fuels, mining operation, hot metal handling, electrical safety and structural integrity including design, safety and construction quality. As a result, our safety compliance has improved from 89% in 2020 to 94% in 2021.

Global HSE Days

Global HSE Days were celebrated across ACC from September 27, 2021 to October 9, 2021. This is for the first time that environment became a part of the Global HSE Days, an event launched by the Company's senior management this year with a webcast for all employees. The period saw strong mobilisation of the Company's stakeholders to help ACC achieve its Ambition Zero. This year's theme was 'Find It and Fix It'. Finding and fixing a hazard is the best way to improve the Company's workplace safety. Various activities were conducted across ACC along the sub-theme, 'Back to Basics', which involved the Company's top priorities such as shop floor engagement and critical controls. The management, drivers, contractors and suppliers participated in these activities. A 'Find It, Fix It' video competition was conducted and a recognition programme, 'You can make a difference', was conducted, wherein individuals or teams that had gone the extra mile in safety were felicitated.

War on Waste ('WoW')

In continuation of the BOG initiative and to supplement 'Parvat', the cost reduction programme, the War on Waste initiative was launched in January 2020. The initiative focused on inefficiency, redundancy and excess and called for strengthening of the zone ownership concept (my area, I maintain) by eliminating wastage and improving the work environment. Under this initiative, the Company developed Mission WoW, a virtual audit of zone/area developed/ maintained by each plant. The initiative drew attention to losses in terms of consumption of process water, prevention of cement bag burst age, and improvement in housekeeping of plants with timely identification and disposal of scraps.

Health

As part of its H&S function, the Company prioritises employee health, and the focus goes a long way in making ACC a much sought-after workplace. The Company has been running lifestyle management programmes for employees in Cement Manufacturing Units (**'CMUs'**) and their families. Their health risk factors are monitored twice a month and appropriate guidance and treatment given. All employees in CMUs undergo periodical medical examination and their health data is reviewed. Regular awareness sessions on various aspects of health are undertaken and guidance on the prevention of seasonal diseases are given to employees and their families.

Road Safety

Recovering from pandemic in Q1 2021, ACC's Logistics Safety Journey registered steady progress over that made in 2020. Logistics safety at ACC has seen zero offsite fatality during the reporting period. This is a big achievement considering 10,000+ drivers are involved with ACC and drive safely with more than 80% safe km each month. Below are the achievements for the Financial Year 2021:

- 20% reduction in offsite critical incidents;
- 30% increase in % of km by In-vehicle Monitoring System (iVMS);
- 70% increase in % of km by approved drivers;
- % safe km at 80%;
- 100% iVMS installed based trucks in Gagal;
- Mirror stations at each plant for physical awareness of vehicle blind-spots;
- 100% Dose-1 vaccination of controlled drivers in coordination with government bodies;
- Two In-cab Master Trainer programmes and 12 additional in-cab trainers added to a total of 21 to further improve % of km by approved drivers in 2022.

Health and Safety Cultural Survey 2021

Health and Safety Cultural Survey was conducted across all manufacturing units, RMX plants and project sites. A total 7,295 respondents took part in this survey across the Company (16% more participation as compared to 2020). A set of 18 questions were sent out for the survey. The responses were analysed under eight (8) major elements (subjective risk assessment, rule enforcement, addressing problems and hazards, work planning, supervisory oversight, resource management, operational process, values and commitment). The analysis revealed concern in the supervisory oversight element as compared to work planning and rule enforcement in 2020.

Trend (2018-2021): Health and Safety Perception Index

	2018		2020		2021
Values & Commitment	71	+16.9%	83	+7.2%	89
Operational Process	82	+9.8%	90	+5.6%	95
Resource Management	86	+2.3%	88	+8.0%	95
Supervisory Oversight	80	+7.5%	86	+5.8%	91
Work Planning	83	+1.2%	84	+6.0%	89
Addressing Problems & Hazards	73	+17.8%	86	+4.7%	90
Rule Enforcement	83	+1.2%	84	+8.3%	91
Subjective Risk Assessment	72	+15.3%	83	+12.0%	93

15 cement plants + 6 RMX regions

(Analysis of mean scores of the 8 elements)

HUMAN RESOURCES

ACC prides itself for being known as a caring organisation not only among its employees but also among communities with which it engages through its operations. All the actions of the Company's leadership aim at reinforcing a fair, transparent and inclusive culture. Leading with empathy is part of the Company's DNA, which is what helped the organisation navigate the pandemic effectively. Through the combined efforts of its employees, ACC continued to promote its business priorities while protecting the best interests of its people and communities.

Building resilience in the organisation

Immediately following the outbreak of the COVID-19 pandemic, ACC established its Business Resilience Teams (**'BRTs'**) to prioritise the health and safety of its employees and stakeholders. ACC was able to navigate through the second wave of the pandemic by reenergising and reinvigorating the BRTs. The Company conducted regular BRT meetings at the central level to monitor the situation. Guidelines and SOPs issued for running safe business operations were established and adhered to. Travel of employees was restricted and only need based. The Company continually leveraged IT platforms for communication. ACC enforced RTPCR testing at all its plant locations and project sites to act proactively. Each employee was mapped to a Company doctor and tracked on a daily basis, and support provided as and when required. Health centres were equipped with oxygen supply and oxygen regulators. The Company identified pockets and entered tie ups with hospitals to manage any emergency. Vaccination camps were set up at all locations and employees and families encouraged to go for vaccination, which helped the Company achieve close to 100% vaccination. BRTs aimed to provide continued focus on H&S measures through regular monitoring, feedback and training. The Company ensured employee well-being through its flagship programme, Sparsh, and reached out to employees and their families through virtual sessions.

Building a high-performance culture

The Company's approach towards performance management focuses on high-quality, regular conversations covering topics that matter to its people. A flexible framework based on employee-initiated dialogue is supported with tools to build capabilities. Both managers and employees put their contributions, strengths and development at the core of the conversation.

With its unique performance management approach, ACC supports a high-performance culture through which it mobilises its employees to reach their full potential and help the Company outperform competitors. Performance is the main driver for the Company's people decisions and its continued efforts at creating a culture of life-long learning.

Focused on learning and development

The Company is continually leveraging its digital ecosystem of learning and development to support its employees in their developmental journey. To strengthen succession at the mid-management level, the Succession Development Programme (SDP) was conducted for the Manufacturing and Sales teams. The Sales Leader Coaching Programme was started for Sales Leaders. Synergy building workshops are conducted for project teams. A Group level Emerging Career Leader Programme (ECLP) is conducted to build a pipeline of future leaders through a six-month virtual training conducted for select young employees. ACC has continued to leverage its digital learning platform Super Assisted Intelligent Learning (SAIL) to reach out to employees at all levels effectively. The Company continues to focus on multiple models of learning to accelerate the development journey of its employees.

Industrial relations

The Company believes in collaborative work and maintains harmonious and healthy industrial relations. ACC maintains a cordial and harmonious relationship with its unions, with which the Company maintains regular communication and open, two-way dialogue. For all business decisions, the Company ensures buy-in from its unions and makes them ACC's trusted business partner.

Prevention of sexual harassment of women at the workplace

For details pertaining to the prevention of sexual harassment of women at workplace.

Board's Report ↪ pg 110

BUSINESS RISKS AND OPPORTUNITIES

Risk management

The Company's comprehensive Business Risk Management (**'BRM'**) framework helps it identify risks and opportunities and monitor them. It ranks each risk based on two parameters: one, likelihood of the event and two, the impact it is expected to have on the Company's operations and performance to form a risk heat map. The risks that fall under the purview of 'high likelihood' and 'high impact' are identified as primary risks. The BRM also identifies emerging risks.

This structured process of identifying risks supports the Executive Committee in strategic decision-making and in the development of detailed mitigation plans. The identified risks are then integrated into the Company's planning cycle, which is a rolling process to, *inter alia*, periodically review the movement of risks on the heat map and the effectiveness of the mitigation plan.

Risks and their Management ↪ pg 56

Board Risk Management Committee

The Risk Management Committee is a separate Committee of the Board constituted for overseeing risk management systems of the Company and for risk governance. The Committee has framed the Risk Management Policy of the Company that is approved by the Board. The Committee updates the Board from time to time on risk management and mitigation. The Board oversees the risk management and governance process by establishing internal controls and systems that are amongst the best in the industry and are in line with global standards. The Company's internal control framework comprehensively covers financial, operational, compliance and information technology areas and is aligned to the Company's Risk Management Policy. ACC's robust risk management processes are well embedded within the business and enable it not only to identify significant risks but also mitigate them in an effective manner.

Statement of Direct Economic Value Generated and Distributed

₹ Crore

	2021	2020
WEALTH GENERATED		
Gross Income[1]	22,752	19,345
Total costs[2]	(12,012)	(10,260)
	10,739	**9,085**
WEALTH DISTRIBUTION		
As remuneration including retirement benefits for Employees	834	839
Contribution to Government as taxes and other levies[3]	7,042	6,364
As dividend to Shareholders	263	263
Community investments - CSR	36	32
Finance Costs	55	57
Retained with the Business	2,510	1,530

Notes:

1. Inclusive of goods and service tax (GST).
2. Operating cost consists of total cost excluding CSR, Employee benefits expense, Finance costs, Depreciation and rate and taxes.
3. Contribution to Government includes goods and service tax (GST), income tax paid (net of refund) and rate and taxes.

Value Added Statement

₹ Crore

	2021	2020	2019	2018	2017
Equity	14,228	12,661	11,521	10,528	9,365
Capital employed	14,228	12,661	11,521	10,528	9,365
Average Capital Employed	13,445	12,091	11,024	9,947	9,099
Value Added					
Net operating profit after taxes (NOPAT)	1,820	1,415	1,359	1,006*	915
Cost of Capital	1,612	1,287	1,425	1,344	1,106
Value added	**208**	**128**	**(66)**	**(338)**	**(191)**
NOPAT/ Average Capital employed (%)	13.54	11.70	12.33	10.11	10.06
Weighted Average Cost of Capital (%)	11.99	10.64	12.93	13.51	12.16
Value added/ Average Capital Employed (%)	**1.55**	**1.06**	**(0.60)**	**(3.40)**	**(2.10)**
Enterprise Value					
Market Capitalisation (As at December, 31)	41,609	30,377	27,147	28,320	33,021
Less: Cash and Cash Equivalents	7,247	5,735	4,383	2,837	2,527
EV (Enterprise Value)	**34,362**	**24,642**	**22,764**	**25,483**	**30,494**
EV/ Year End Capital Employed (Times)	**2.42**	**1.95**	**1.98**	**2.42**	**3.26**

* Net Operating profit is excluding tax provisions write-back.

Horizontal Analysis of Standalone Balance Sheet

₹ Crore

Particulars	2021	2021 Vs 20 (%)	2020	2020 Vs 19 (%)	2019	2019 Vs 18 (%)	2018	2018 Vs 17 (%)	2017
ASSETS									
Non-current assets									
Net Fixed assets (including CWIP)	7,809	10.39	7,074	(4.75)	7,427	(0.20)	7,442	(0.81)	7,503
Right of use assets	155	19.23	130	-	-	-	-	-	-
Non-current investments	193	(12.67)	221	(3.91)	230	-	230	-	230
Non-current – loans and other financial assets	919	18.58	775	3.89	746	53.50	486	(22.36)	626
Non-Current Tax Assets (Net)	1,002	6.36	942	9.92	857	27.34	673	128.14	295
Other non-current assets	595	(8.88)	653	63.66	399	(34.80)	612	(0.81)	617
	10,673	**8.96**	**9,795**	**1.41**	**9,659**	**2.29**	**9,443**	**1.86**	**9,271**
Current assets									
Inventories	1,273	41.44	900	(21.12)	1,141	(32.04)	1,679	19.59	1,404
Financial Assets									
Trade receivables	489	8.19	452	(28.03)	628	(27.65)	868	29.94	668
Cash and cash equivalents	7,247	26.36	5,735	30.85	4,383	54.49	2,837	12.27	2,527
Bank balances other than Cash and Cash Equivalents	157	0.64	156	0.65	155	(4.91)	163	(3.55)	169
Loans and other financial assets	268	(17.79)	326	7.95	302	(2.58)	310	520.00	50
Current Tax Assets (Net)	-	(100.00)	71	-	-	-	-	-	-
Other current assets and assets held for sale	812	17.51	691	(15.11)	814	12.28	725	(9.38)	800
	10,246	**22.99**	**8,331**	**12.23**	**7,423**	**12.78**	**6,582**	**17.16**	**5,618**
TOTAL	**20,919**	**15.41**	**18,126**	**6.11**	**17,082**	**6.60**	**16,025**	**7.63**	**14,889**
EQUITY AND LIABILITIES									
Equity									
Equity Share capital	188	-	188	-	188	-	188	-	188
Other Equity	14,040	12.56	12,473	10.06	11,333	9.60	10,340	12.67	9,177
	14,228	**12.38**	**12,661**	**9.89**	**11,521**	**9.43**	**10,528**	**12.42**	**9,365**
Liability									
Non-current liabilities									
Financial Liability									
Lease Liabilities	101	20.24	84	-	-	-	-	-	-
Provisions	214	-	214	(8.55)	234	68.35	139	(2.11)	142
Deferred tax liabilities (Net)	383	1.86	376	(41.43)	642	(3.17)	663	22.55	541
	698	**3.56**	**674**	**(23.06)**	**876**	**9.23**	**802**	**17.42**	**683**
Current liabilities									
Financial Liability									
Borrowings	-	-	-	-	-	-	-	(100.00)	59
Trade payables	1,899	34.13	1,416	(3.74)	1,471	(23.50)	1,923	6.18	1,811
Other financial liabilities	1,151	12.18	1,026	9.85	934	20.67	774	7.65	719
Other current liabilities	2,261	13.39	1,994	4.13	1,915	7.04	1,789	3.23	1,733
Provisions	16	-	16	(30.43)	23	(14.81)	27	(47.06)	51
Current Tax Liabilities (Net)	666	96.46	339	(0.88)	342	87.91	182	(61.11)	468
	5,993	**25.09**	**4,791**	**2.26**	**4,685**	**(0.21)**	**4,695**	**(3.02)**	**4,841**
TOTAL	**20,919**	**15.41**	**18,126**	**6.11**	**17,082**	**6.60**	**16,025**	**7.63**	**14,889**

Vertical Analysis of Standalone Balance Sheet

₹ Crore

Particulars	2021	(%)	2020	(%)	2019	(%)	2018	(%)	2017	(%)
ASSETS										
Non-current assets										
Net Fixed assets (including CWIP)	7,809	37.34	7,074	39.03	7,427	43.46	7,442	46.44	7,503	50.39
Right of use assets	155	0.74	130	0.72	-	-	-	-	-	-
Non-current investments	193	0.92	221	1.22	230	1.35	230	1.44	230	1.54
Non-current – loans and other financial assets	919	4.39	775	4.27	746	4.37	486	3.03	626	4.20
Non-Current Tax Assets (Net)	1,002	4.79	942	5.20	857	5.02	673	4.20	295	1.99
Other non-current assets	595	2.84	653	3.60	399	2.34	612	3.82	617	4.14
	10,673	**51.02**	**9,795**	**54.04**	**9,659**	**56.54**	**9,443**	**58.93**	**9,271**	**62.26**
Current assets										
Inventories	1,273	6.09	900	4.97	1,141	6.68	1,679	10.48	1,404	9.43
Financial Assets										
Trade receivables	489	2.34	452	2.49	628	3.68	868	5.42	668	4.49
Cash and cash equivalents	7,247	34.64	5,735	31.64	4,383	25.66	2,837	17.70	2,527	16.97
Bank balances other than Cash and Cash Equivalents	157	0.75	156	0.86	155	0.91	163	1.02	169	1.14
Loans and other financial assets	268	1.28	326	1.80	302	1.77	310	1.93	50	0.34
Current Tax Assets (Net)	-	-	71	0.39	-	-	-	-	-	-
Other current assets and assets held for sale	812	3.88	691	3.81	814	4.76	725	4.52	800	5.37
	10,246	**48.98**	**8,331**	**45.96**	**7,423**	**43.46**	**6,582**	**41.07**	**5,618**	**37.74**
TOTAL	**20,919**	**100.00**	**18,126**	**100.00**	**17,082**	**100.00**	**16,025**	**100.00**	**14,889**	**100.00**
EQUITY AND LIABILITIES										
Equity										
Equity Share capital	188	0.90	188	1.04	188	1.10	188	1.17	188	1.26
Other Equity	14,040	67.12	12,473	68.81	11,333	66.34	10,340	64.53	9,177	61.64
	14,228	**68.02**	**12,661**	**69.85**	**11,521**	**67.44**	**10,528**	**65.70**	**9,365**	**62.90**
Liability										
Non-current liabilities										
Financial Liability										
Lease Liabilities	101	0.48	84	0.46	-	-	-	-	-	-
Provisions	214	1.02	214	1.18	234	1.37	139	0.87	142	0.95
Deferred tax liabilities (Net)	383	1.83	376	2.07	642	3.76	663	4.13	541	3.64
	698	**3.33**	**674**	**3.72**	**876**	**5.13**	**802**	**5.00**	**683**	**4.59**
Current liabilities										
Financial Liabilities										
Borrowings	-	-	-	-	-	-	-	-	59	0.40
Trade payables	1,899	9.08	1,416	7.81	1,471	8.61	1,923	12.00	1,811	12.16
Other financial liabilities	1,151	5.50	1,026	5.66	934	5.47	774	4.83	719	4.83
Other current liabilities	2,261	10.81	1,994	11.00	1,915	11.22	1,789	11.16	1,733	11.64
Provisions	16	0.08	16	0.09	23	0.13	27	0.17	51	0.34
Current Tax Liabilities (Net)	666	3.18	339	1.87	342	2.00	182	1.14	468	3.14
	5,993	**28.65**	**4,791**	**26.43**	**4,685**	**27.43**	**4,695**	**29.30**	**4,841**	**32.51**
TOTAL	**20,919**	**100.00**	**18,126**	**100.00**	**17,082**	**100.00**	**16,025**	**100.00**	**14,889**	**100.00**

Horizontal Analysis of Statement of Profit and Loss

₹ Crore

Particulars	2021	2021 Vs 20 (%)	2020	2020 Vs 19 (%)	2019	2019 Vs 18 (%)	2018	2018 Vs 17 (%)	2017
Revenue from Operations	**16,151**	**17.16**	**13,785**	**(11.95)**	**15,657**	**5.78**	**14,801**	**11.60**	**13,263**
Other Income	205	0.49	204	(34.45)	311	123.89	139	5.30	132
Total Income	**16,356**	**16.92**	**13,989**	**(12.39)**	**15,968**	**6.88**	**14,940**	**11.53**	**13,395**
Cost of materials consumed	2,120	26.72	1,673	(25.91)	2,258	(4.72)	2,370	19.52	1,983
Purchase of traded goods	921	32.14	697	92.71	362	306.39	89	8,800.00	1
Changes in inventories	(174)	(222.54)	142	40.86	101	(180.65)	(125)	733.33	(15)
Employee benefits expense	834	(0.60)	839	(2.89)	864	(1.93)	881	7.57	819
Power and fuel	3,361	30.68	2,572	(17.86)	3,131	4.45	2,998	10.46	2,714
Freight and Forwarding expense	3,845	12.03	3,432	(15.26)	4,050	0.97	4,011	16.23	3,451
Finance costs	55	(3.51)	57	(33.89)	86	(3.12)	89	(12.75)	102
Depreciation and amortisation expense	597	(5.98)	635	5.31	603	0.49	600	(6.25)	640
Other expenses	2,244	7.99	2,078	(16.25)	2,481	(2.01)	2,532	5.41	2,402
Total expenses	**13,803**	**13.84**	**12,125**	**(13.00)**	**13,936**	**3.65**	**13,445**	**11.14**	**12,097**
Exceptional items	93	(47.16)	176	-	-	-	-	-	-
Profit before tax	**2,460**	**45.73**	**1,688**	**(16.91)**	**2,031**	**35.88**	**1,495**	**15.18**	**1,298**
Tax expenses	640	134.57	273	(59.43)	673	37.54	(12)	(103.13)	383
Profit for the year	**1,820**	**28.61**	**1,415**	**4.14**	**1,359**	**(9.83)**	**1,507**	**64.70**	**915**

Vertical Analysis of Statement of Profit and Loss

₹ Crore

Particulars	2021	%	2020	%	2019	%	2018	%	2017	(%)
Revenue from Operations	**16,151**	**100.00**	**13,785**	**100.00**	**15,657**	**100.00**	**14,801**	**100.00**	**13,263**	**100.00**
Other Income	205	1.27	204	1.48	311	1.99	139	0.94	132	1.00
Total Income	**16,356**	**101.27**	**13,989**	**101.48**	**15,968**	**101.99**	**14,940**	**100.94**	**13,395**	**101.00**
Cost of materials consumed	2,120	13.13	1,673	12.14	2,258	14.42	2,370	16.01	1,983	14.95
Purchase of traded goods	921	5.70	697	5.06	362	2.31	89.00	0.60	1	0.01
Changes in inventories	(174)	(1.08)	142	1.03	101	0.64	(125)	(0.84)	(15)	(0.11)
Employee benefits expense	834	5.16	839	6.09	864	5.52	881	5.95	819	6.18
Power and fuel	3,361	20.81	2,572	18.66	3,131	20.00	2,998	20.26	2,714	20.46
Freight and Forwarding expense	3,845	23.80	3,432	24.90	4,050	25.87	4,011	27.10	3,451	26.02
Finance costs	55	0.34	57	0.41	86	0.55	89	0.60	102	0.77
Depreciation and amortisation expense	597	3.70	635	4.61	603	3.85	600	4.05	640	4.82
Other expenses	2,244	13.89	2,078	15.07	2,481	15.85	2,532	17.11	2,402	18.11
Total expenses	**13,803**	**85.46**	**12,125**	**87.96**	**13,936**	**89.01**	**13,445**	**90.84**	**12,097**	**91.21**
Exceptional items	93	0.57	176	1.28	-	-	-	-	-	-
Profit before tax	**2,460**	**15.23**	**1,688**	**12.24**	**2,031**	**12.98**	**1,495**	**10.10**	**1,298**	**9.79**
Tax expenses	640	3.96	273	1.98	673	4.30	(12)	(0.08)	383	2.89
Profit for the year	**1,820**	**11.27**	**1,415**	**10.26**	**1,359**	**8.68**	**1,507**	**10.18**	**915**	**6.90**

TO THE MEMBERS

The Board of Directors are pleased to present the Company's 86th Annual Report on business and operations, together with the audited financial statements (consolidated as well as standalone) for the year ended December 31, 2021.

1. STATE OF THE AFFAIRS OF THE COMPANY

The performance of the Cement Business and Ready Mix Concrete (**'RMX'**) Business are detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report.

2. FINANCIAL PERFORMANCE

(₹ Crore)

Particulars	Consolidated 2021	Consolidated 2020	Standalone 2021	Standalone 2020
Revenue from Operations	16,151.67	13,785.98	16,151.35	13,784.54
Other Income	206.71	216.74	204.76	203.98
Total Income	**16,358.38**	**14,002.72**	**16,356.11**	**13,988.52**
Profit before Tax*	**2,506.38**	**1,708.85**	**2,460.39**	**1,687.78**
Tax Expenses	643.28	278.59	640.12	272.84
Profit for the year	**1,863.10**	**1,430.26**	**1,820.27**	**1,414.94**
Attributable to				
Owners of the Company	1,862.99	1,430.18	1,820.27	1,414.94
Non-controlling Interest	0.11	0.08	-	-
Other Comprehensive Income (OCI)	5.43	(14.58)	5.44	(14.54)
Total Comprehensive Income	**1,868.53**	**1,415.68**	**1,825.71**	**1,400.40**
Owners of the Company	1,868.42	1,415.60	1,825.71	1,400.40
Non-controlling Interest	0.11	0.08	-	-
Opening Balance in retained earnings	**8,866.04**	**7,713.34**	**8,834.02**	**7,696.52**
Amount available for appropriations	10,734.46	9,128.94	10,659.73	9,096.92
Appropriations				
Final Dividend Paid for 2020	262.90	-	262.90	-
Interim Dividend Paid for 2019	-	262.90	-	262.90
Closing balance in retained earnings	**10,471.56**	**8,866.04**	**10,396.83**	**8,834.02**

* Profit before Tax for 2021 includes charge of ₹54.76 Crore towards restructuring cost and ₹38.10 Crore towards impairment of investment (only in Standalone) and for 2020 includes charge of ₹176.01 Crore towards impairment of assets and ₹128.92 Crore towards time value of money of Government Incentives.

3. OVERVIEW OF COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE

- Consolidated Income, comprising Revenue from Operations and other income, for the year was ₹16,358.38 Crore, 17% higher compared to ₹14,002.72 Crore in 2020
- Total consolidated Revenue from Operations increased to ₹16,151.67 Crore from ₹13,785.98 Crore in 2020
- Consolidated Profit before Tax for the year was ₹2,506.38 Crore *vis-à-vis* ₹1,708.85 Crore in 2020
- Consolidated Profit after Tax for the year was ₹1,863.10 Crore compared to ₹1,430.26 Crore in 2020
- No material changes or commitments have occurred between the end of the financial year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year
- Cement production increased by 13% from 23.77 Million Tonnes in 2020 to 26.92 Million tonnes in 2021
- Cement Sales Volume increased by 13% from 25.53 Million Tonnes in 2020 to 28.89 Million tonnes in 2021
- The net sales in cement increased by 17% from ₹12,658.17 Crore in 2020 to ₹14,772.36 Crore in 2021
- RMX Production Volume has increased by 24% from 22.70 Lakh m^3 in 2020 to 28.09 m^3 in 2021
- RMX Sales volume increased by 24% from 22.70 Lakh m^3 in 2020 to 28.09 Lakh m^3 in 2021
- The net sales in RMX increased by 30% from ₹955.42 Crore in 2020 to ₹1,241.66 Crore in 2021.

4. DIVIDEND

The Board of Directors has recommended payment of dividend at a rate of ₹58/- per equity share (580%) for the year ended December 31, 2021 subject to the approval of the Members at the 86th Annual General Meeting (**'AGM'**).

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**'the Listing Regulations'**), the Company has formulated a Dividend Distribution Policy. The policy is given in **Annexure A** to this Report.

It is also available on the Company's website and can be accessed at www.acclimited.com/assets/new/new_pdf/Dividend_Distribution_Policy.pdf

Unclaimed dividend pertaining to the 76th final dividend and the 77th interim dividend, respectively for the years December 31, 2013 and December 31, 2014 totalling to ₹6.07 Crore have been transferred to the Investor Education and Protection Fund (**'IEPF'**) in accordance with statutory requirements.

5. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the financial year ended December 31, 2021.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

7. SHARE CAPITAL

The Company's paid-up equity share capital continues to stand at ₹187.79 Crore as on December 31, 2021.

During the year under review, the Company has not issued any shares or convertible securities. The Company does not have any scheme for the issue of shares, including sweat equity to its Employees or Directors.

8. FINANCIAL LIQUIDITY

Consolidated cash and cash equivalent as on December 31, 2021 stood at ₹7,366.59 Crore *vis-à-vis* ₹5,849.36 Crore in the previous year.

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

9. CREDIT RATING

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

10. DEPOSITS

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

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements (Refer Note No. 47).

12. INTERNAL CONTROL SYSTEMS

12.1 Internal audit and its adequacy

The scope and authority of the internal audit function is defined in the Internal Audit Charter. To maintain independence and objectivity in its functions, the internal audit function reports directly to the Audit Committee of the Board.

At the beginning of each financial year, a risk-based annual audit plan is rolled out after it is approved by the Audit Committee of the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system(s) and compliance(s) thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations.

The Internal Audit function, consisting of professionally qualified accountants, engineers, Fraud Risk and Information Technology audit specialists, is adequately skilled and resourced to deliver audit assurances at highest levels.

Based on the reports of internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The onset of COVID-19 pandemic and consequent lockdowns and restrictions imposed to curb its spread, made the conduct of physical audits extremely difficult. Under such challenging circumstances and considering the safety and well-being of employees, Corporate Internal Audit envisioned and adopted a 'remote audit' approach by leveraging technology to ensure continuity in audit and assurance processes. A comprehensive plan, scoping and deployment of data analytics, facilitated seamless and effective conduct of remote internal audits during the year.

12.2 Internal Controls over Financial Reporting

The Company's internal financial controls are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed.

The Company has put in place robust policies and procedures, which *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

13. VIGIL MECHANISM/ WHISTLE-BLOWER POLICY

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance for any form of unethical behaviour. EthicalView Reporting Policy (**'EVRP'**) is the vigil mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Act and the Listing Regulations. The Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct. Details of the EVRP have been disclosed on the Company's website and can be accessed at www.acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf

During the year, the Company reached out to employees through e-learning and online training modules for creating greater awareness with respect to its Fair Competition Directive and Anti-Bribery and Corruption Directive. This has helped in achieving a high level of engagement and compliance among the employees.

14. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

14.1 Subsidiaries

Bulk Cement Corporation (India) Limited ('BCCI')

During the year under review, BCCI's revenue from operations increased to ₹22.04 Crore compared to ₹18.48 Crore in 2020. The profit before tax for 2021 was ₹2.59 Crore as against ₹2.08 Crore in 2020.

ACC Mineral Resources Limited ('AMRL')

The Company had a Joint Venture with Madhya Pradesh State Mining Corporation Limited (**'MPSMC'**) for the development of four (4) coal blocks allotted to MPSMC by the Government of India through its wholly-owned subsidiary AMRL.

Consequent upon the cancellation of the allocation of the four (4) coal blocks to MPSMC by the Government of India as per the orders of the Supreme Court passed in September 2014, AMRL does not have any business activity and correspondingly did not have any operating income during the period under review.

Other Subsidiaries

The Company has two (2) other Subsidiary Companies viz. Lucky Minmat Limited and Singhania Minerals Private Limited. Singhania Minerals Private Limited is operational, while Lucky Minmat Limited is not operational.

14.2 Material Subsidiaries

None of the subsidiaries mentioned in para 14.1 supra is a material subsidiary as per the thresholds laid down under the Listing Regulations, as amended from time to time.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the Listing Regulations. The Policy has been uploaded on the Company's website and can be accessed at www.acclimited.com/assets/new/pdf/CG/Determiningmaterialsubsidiaries.pdf

14.3 Joint Ventures ('JV')/ Associate Companies

OneIndia BSC Private Limited is a JV Company with equal participation with Ambuja Cements Limited to provide back-office services to the Company with respect to routine transactional processes. During the last year, the Company migrated the back-office services to LH Global Hub Services Private Limited (**'LHGHS'**) which is the global shared services for the entire Holcim Group.

The Company also has a JV with Aakaash Manufacturing Company Private Limited for the manufacture and supply of ready-mix concrete. As on December 31, 2021, the following is the list of Associate Companies:

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

15. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the financial year 2021 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon form part of the Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of each of the subsidiaries, associates and JV Companies in the prescribed Form AOC-1 forms part of the Annual Report.

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

16. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

16.1 Directorate

A. Appointments/ Re-appointments

Mr Narotam S. Sekhsaria

Mr Sekhsaria was appointed as Independent Director for a period of five (5) years in the Extra-Ordinary General Meeting held on September 10, 2014 with effect from July 24, 2014.

However, with effect from August 12, 2016, consequent upon the amalgamation of Holcim (India) Pvt Ltd and Ambuja Cements Ltd, Mr Sekhsaria was classified as a Non-Independent Director, liable to retire by rotation.

In terms of Section 152 of the Act, Mr Sekhsaria, Non-Executive Non-Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on April 7, 2021.

Mr Jan Jenisch

Mr Jan Jenisch was appointed as Non-Executive Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on June 13, 2018.

In terms of Section 152 of the Act, Mr Jenisch, Non-Executive Non-Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on April 7, 2021.

Mr Martin Kriegner

Mr Martin Kriegner was appointed as Non-Executive Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on April 13, 2016.

In terms of Section 152 of the Act, Mr Kriegner, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Mr Neeraj Akhoury

Mr Neeraj Akhoury was appointed as Non-Executive Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on July 6, 2020.

In terms of Section 152 of the Act, Mr Akhoury, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

The relevant details including profiles of Mr Martin Kriegner and Mr Neeraj Akhoury are included separately in the Notice of AGM and Report on Corporate Governance of the Company forming part of the Annual Report.

B. Cessation

There was no instance of resignation/ cessation of Directorship during the year under review.

16.2 Key Managerial Personnel ('KMP')

There is no change in the KMP of the Company during the financial year 2021 and the KMP of the Company are as under:

1. Mr Sridhar Balakrishnan (MD & CEO)
2. Mr Yatin Malhotra (Chief Financial Officer)
3. Mr Rajiv Choubey (Chief Legal Officer & Company Secretary)

16.3 Independent Directors

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of manufacturing, finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services, investments, mining and mineral industries and e-commerce; and they hold high standards of integrity.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar (**'IICA'**). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, since all the Independent Directors of the Company have served as Directors for a period of not less than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute.

16.4 Board effectiveness

a) Familiarisation programme for Independent Directors

Over the years, the Company has developed a robust familiarisation process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act and other related regulations. This process *inter alia* includes providing an overview of the cement industry, the Company's business model, the risks and opportunities, the new products, innovation, sustainability measures, digitisation measures etc.

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

b) Formal annual evaluation

The Board carries out its annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Risk Management, Stakeholders' Relationship, CSR and Compliance Committees as mandated under the Act and the Listing Regulations, as amended from time to time. The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

16.5 Remuneration policy and criteria for selection of candidates for appointment as Directors, KMP and Senior Leadership positions

The Company has in place a policy for remuneration of Directors, KMP and Members of the Executive Committee (**'ExCo'**) as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and commission), KMP and ExCo.

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The policy on remuneration of Directors, KMP and Members of the ExCo is given in **Annexure B** to this Report and is also available at the website of the Company and can be accessed at www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

The Board of Directors of the Company also formulated and adopted the policy on the 'Diversity of the Board' and 'Succession Policy for Directors'. The details of the same are available at the website of the Company and can be accessed at www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf www.acclimited.com/assets/new/pdf/CG/succession_policy_for_directors.pdf

17. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies, strategies, financial matters and other businesses. The schedule of the Board/ Committee Meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time.

During the year, seven (7) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Company has the following seven (7) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Risk Management Committee
3. Corporate Social Responsibility Committee*
4. Nomination and Remuneration Committee
5. Stakeholders' Relationship Committee
6. Compliance Committee
7. Sustainability Committee*

* Corporate Social Responsibility (CSR) & Sustainability Committee is split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

The Committee meetings were held during the year, including Audit Committee and Stakeholders' Relationship Committee Meetings, which met six (6) and three (3) times, respectively during the year. The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

18. AUDIT COMMITTEE

The Audit Committee comprises of five (5) members. The Committee is chaired by Mr Sundaram (Independent Director). The other Members of the Committee are Mr Kriegner (Non-Executive Director), Mr Chatterjee (Independent Director), Mr Mehta (Independent Director) and Mr Roongta (Independent Director). The Committee comprises of majority of Independent Directors.

Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of the Annual Report.

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

19. CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

The CSR & Sustainability Committee is split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

The CSR Committee comprises of four (4) members of which two (2) are Independent Directors. The Committee is chaired by Mr Haribhakti (Independent Director). During the year under review, the other members of the Committee were Ms Nayar (Independent Director), Mr Akhoury (Non-Executive Director) and Mr Balakrishnan (MD & CEO). The Committee met thrice (3) during the reporting period. Details of the role and functioning of the Committee are given in the Report on Corporate Governance, which forms part of the Annual Report.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the Company has set up CSR Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure C**.

The CSR Policy as recommended by the CSR Committee and as approved by the Board is available on the website of the Company and can be accessed at https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf

20. RISK MANAGEMENT FRAMEWORK

The Company's governance structure has well-defined roles and responsibilities, which enable and empower the Management to identify, assess and leverage business opportunities and manage risks effectively. There is also a comprehensive framework for strategic planning, implementation and performance monitoring of the business plan, which *inter alia* includes a well-structured Business Risk Management process. To systematically identify risks and opportunities and monitor their movement, a heat map has been designed comprising two (2) parameters:

a) likelihood of the event and

b) the impact it is expected to have on the Company's operations and performance.

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

The detailed section on key business risks and opportunities forms part of the Integrated Report, which forms part of the Annual Report.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has developed a Related Party Transactions (**'RPTs'**) Manual and Standard Operating Procedures to identify and monitor RPTs.

All transactions with related parties are placed before the Audit Committee as well as the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the RPTs, which are foreseeable and repetitive. The RPTs are entered with prior approvals of the Audit Committee and the same are subject to audit. A statement giving details of all RPTs is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a certificate from the MD & CEO and the Chief Financial Officer (**'CFO'**).

The policy on RPTs as approved by the Board of Directors has been uploaded on the Company's website and can be accessed at https://acclimited.com/assets/new/pdf/CG/Related-Party-Transactions-Policy-20210824.pdf

All transactions with related parties during the year were on arm's length basis and were in the ordinary course of business. The details of the material related-party transactions entered into during the year as per the policy on RPTs approved by the Board have been reported in Form AOC 2, which is given in **Annexure D** to this Report.

None of the Directors and the KMP has any pecuniary relationships or transactions *vis-à-vis* the Company.

22. TRANSFER OF EQUITY SHARES UNPAID/ UNCLAIMED DIVIDEND TO THE IEPF

In line with the statutory requirements, the Company has transferred to the credit of IEPF set up by the Government of India, equity shares in respect of which dividend had remained unpaid/ unclaimed for a period of seven (7) consecutive years within the timelines laid down by the Ministry of Corporate Affairs. Unpaid/ unclaimed dividend for seven (7) years or more has also been transferred to the IEPF pursuant to the requirements under the Act.

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

Builders Association of India complaint under the provisions of the Competition Act, 2002 against the cement manufacturers – Order of the Supreme Court of India in Appeal

It was reported in detail in reports of earlier years, that a penalty of ₹1,147.59 Crore was levied on the Company by the Competition Commission of India (**'CCI'**) based on a complaint filed by the Builders' Association of India for alleged violation of the provisions of the Competition Act, 2002.

The National Company Law Appellate Tribunal (**'NCLAT'**) dismissed the appeal of the Company dated July 25, 2018 upholding the levy of penalty of ₹1,147.59 Crore as imposed by the CCI vide its order dated August 31, 2016.

The Company preferred an appeal before the Hon'ble Supreme Court against the above order of NCLAT. The Hon'ble Supreme Court vide its order dated October 5, 2018 has admitted the Company's Civil Appeal and ordered for continuance of the interim orders passed by NCLAT towards stay of the demand subject to deposit of 10% of the penalty amount. The matter is currently subjudice and as on December 31, 2021, the penalty amount of ₹1,147.59 Crore and interest thereon has been disclosed as a contingent liability in the Notes to Financial Statements [Refer Note 40(A)(a)].

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

The Director, Supplies & Disposals, State of Haryana had filed a complaint before CCI alleging collusion and bid rigging by cement manufacturers in violation of Section 3(1) and Section 3(3)(d) of the Competition Act, 2002. In January 2017, the CCI passed an order against seven (7) cement manufacturers, including the Company imposing a penalty calculated at the rate of 0.3% of the average turnover of the last three (3) years from financial year 2012-13 to financial year 2014-15. In respect of the Company, the amount of penalty works out to ₹35.32 Crore.

An appeal is pending before NCLAT in the said matter against the orders of the CCI. In the intervening period, there was no progress due to Covid related lockdowns and limited virtual functioning. As on December 31, 2021, the penalty amount of ₹35.32 Crore is disclosed as a contingent liability in the Notes to Financial Statements [Refer Note 40(A)(b)]. There are no further developments during the year under review in respect of the above cases.

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

24. RISK ARISING OUT OF LITIGATION, CLAIMS AND UNCERTAIN TAX POSITIONS

The Company is exposed to a variety of different laws, regulations, positions and interpretations thereof which encompasses direct taxation and legal matters.

In the normal course of business, provisions and contingencies may arise due to uncertain tax positions and legal matters.

Based on the nature of matters, the management applies significant judgement when considering evaluation of risk, including how much to provide for the potential exposure of each of the matters.

These estimates could change substantially over time as new facts emerge as each matter progresses, hence these are reviewed regularly. For matters where expert opinion is required, the Company involves the best legal counsel.

Reference is drawn to the 'Key audit matters' by the auditors in their reports on the above matters.

25. AUDITORS

25.1 Statutory Auditor

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 117366W/ W-100018) were appointed as Statutory Auditor of the Company at the 81st AGM held on March 29, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 86th AGM to be held in the year 2022. The term of office of M/s Deloitte Haskins & Sells LLP, as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company at its meeting held on February 9, 2022 appointed M/s S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/ E300003) as the Statutory Auditor of the Company to hold office from the conclusion of the 86th AGM till the conclusion of the 91st AGM to be held in the year 2027 based on the recommendation of the Audit Committee and subject to the approval of the shareholders at the ensuing 86th AGM. The Statutory Auditors have confirmed their independent status and eligibility for the said appointment.

The Shareholders' attention is drawn to a Resolution proposing the appointment of M/s S R B C & Co. LLP as Statutory Auditors of the Company which is included at Item No. 5 of the Notice convening the 86th AGM.

25.2 Cost Auditor

The cost accounts and records are required to be maintained under Section 148(1) of the Act. They are duly made and maintained by the Company. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has on the recommendation of the Audit Committee appointed M/s D. C. Dave & Co., Cost Accountants, Mumbai (Firm Registration No. 000611), to conduct the cost audit of the Company for the financial year ending December 31, 2022, at a remuneration as mentioned in the Notice convening the 86th AGM.

As required under the Act read with the Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditors must be placed before the Members at a general meeting for ratification. Hence, a resolution for the same forms part of the Notice of the ensuing AGM.

M/s D. C. Dave & Co. have confirmed the cost records for the financial year ended December 31, 2020 are free from any disqualifications as specified under Section 141 (3) and proviso to Section 148(3) read with Section 141(4) of the Act. They have further confirmed their independent status.

25.3 Secretarial Auditor and Secretarial Audit Report

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s Mehta & Mehta, Company Secretaries in Practice, Mumbai, as the Secretarial Auditor for conducting Secretarial Audit of the Company for the financial year ended December 31, 2021.

The report of the Secretarial Auditor is given in **Annexure E**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India (**'ICSI'**).

26. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company, i.e. December 31, 2021 and the date of this Board's Report, i.e. February 9, 2022.

27. AWARDS AND RECOGNITIONS

In 2021, the Company committed to Net Zero Pledge by signing the Business Ambition 1.5° C. ACC has also validated its CO_2 emission reduction targets under Science Based Target Initiative (SBTi) under well below 2° C scenario. ACC is the first Indian Cement Company to have both of these.

ACC has also been recognised for demonstrating leadership in climate change efforts by global environmental non-profit CDP, securing a place on its prestigious 'A List' for its climate change disclosure. ACC has also received B rating by CDP in Water disclosure for which the Company participated for the first time.

ACC has scored 73 in Dow Jones Sustainability Index and is among the top 15 companies across construction material sector globally.

28. ENHANCING SHAREHOLDER VALUE

ACC is committed to creating and returning value to shareholders. Accordingly, the Company is dedicated to achieving high levels of operating performance, cost competitiveness, enhancing the productive asset and resource base and striving for excellence in all areas of operations.

The Company firmly believes that its success in the marketplace and good reputation are among the primary determinants of shareholder value. Its close relationship with customers and a deep understanding of their challenges and expectations drive the development of new products and services. With decades of expertise and know-how, ACC offers its customers solutions that enhance their projects and builds trust.

Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. ACC continues to develop this strength by institutionalising sound commercial processes and building world-class commercial capabilities across its marketing and sales teams.

The Company uses an innovative approach in the development of its products and services, as well as execution of growth opportunities. The Company is also committed to creating value for all its stakeholders by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of the triple bottom line.

29. CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company's auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report.

30. BUSINESS RESPONSIBILITY REPORTING

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

31. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure F** to this Report.

In accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours at the Registered Office of the Company and the Report & Accounts as set out therein are being sent to all the Members of the Company. Any Member, who is interested in obtaining these, may write to the Chief Legal Officer & Company Secretary at the Registered Office of the Company.

32. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

33. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return of the Company for the financial year December 31, 2021 is uploaded on the website of the Company and can be accessed at www.acclimited.com

34. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (**'SS'**) issued by the Institute of Company Secretaries of India (SS1 and SS2), relating to Meetings of the Board and its Committees and General Meetings respectively, which have mandatory application during the year under review.

35. STATUTORY DISCLOSURES

The disclosures required to be made under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given as under:

A. Conservation of energy

A1. Power cost optimisation

During the year, efforts were made to reduce the impact of increasing electrical energy cost by partly replacing grid power through consumption of Open Access (**'OA'**) power from comparatively cheaper sources. The plants which actively participated in OA procurement of power were Kudithini, Thondebhavi, Gagal, Madukkarai, Wadi and Bargarh. Overall purchase of power from OA has resulted in a saving of ~₹5.7 Crore.

In addition, the Waste Heat Recovery System (WHRS) at Gagal generated ~48.7 Million units for internal consumption in place of grid power.

A2. Renewable power obligation

Your Company is putting all efforts to increase the share of Renewable Energy.

The captive wind power generation from Tamil Nadu and Rajathan wind farms contributed considerably in this front. This has resulted in a saving of ~₹1 Crore on account of RPO cash outgo. Besides this, the Company sourced Solar power at Thondebhavi, Kudithini and Wadi and Non Solar power at Thondebhavi to fulfill the Solar RPO and partly Non Solar RPO. This resulted in savings in total cash outgo of ~₹12.7 Crore.

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

- Energy efficiency improvement through installation of efficient equipment such as fans, blowers, compressors and motors across all ACC plants;
- Conduction of mandatory energy audits and identification of energy conservation projects;
- Implementation of projects identified as part of Mandatory Energy audits;
- Focus on Productivity Rate Index (**'PRI'**) improvement through Computational Fluid Dynamics (**'CFD'**) studies and through other inhouse modification at Jamul, Wadi, Kymore and Madukkarai, Tikarai;
- Installation of medium voltage variable frequency drives (**'MVVFD'**) and low;
- voltage variable frequency drives (**'LVVFD'**) for process fans across all ACC plants.

Some of the additional proposals being implemented for further conservation of energy

- Installation of variable frequency drives and high efficiency fans, across ACC plants;
- Conducting CFD Study for modification of cyclones at Bargarh;
- Installation of active Volt-ampere reactive (**'VAR'**) compensation for 132kV substation at Bargarh;
- Reduction of Preheater pressure drop through enlargement of kiln inlet neck and reduction of pressure drop across V-separator of Roller Press (**'RP'**);
- Improve the Raw mill PRI by improving feeding and increasing the roller grinding pressure at Jamul at Jamul;
- Installation of new design cooler plates at Wadi.

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

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

The capital investment on energy conservation equipment

Your Company invested ~₹378.5 Crore on productivity/ efficiency improvement, besides implementation low-cost measures to reduce energy consumption.

The steps taken by the Company for utilising alternate sources of energy

Besides the use of Renewable Energy (Solar and Non-Solar), your Company utilised 0.3 Million tonnes of Alternative Fuels during the cement manufacture.

B. Technology Absorption

Research and Development (R&D)

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

a) Conservation of resources through maximisation of the use of low-grade limestone for cement manufacturing, improvement in the quality of blended cement through innovative process utilising industrial by-products for improved quality and performance of ACC plants;

b) Maximsation of industrial wastes utilisation and looking into possibilities of environmentally friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources;

c) Optimisation of fuel mix for lowering the cost;

d) Effective replacement of the costlier natural Gypsum by other form of gypsum and byproducts without affecting the quality of cement;

e) Productivity research for increased efficiency in use of resources development of application oriented cements with decreased CO_2 emissions;

f) Development of Integral waterproofing Compound;

g) Development of cement based niche products like water repellent and self-curing Dry Mix Mortar, thin bed jointing mortar, plasters, tile adhesives range;

h) Development of Concrete Admixture for ACC RMX.

2. Benefits derived as result of above R&D

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

b) Reduction in raw material cost–gypsum and mineral components;

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

d) Launch of Leak Block–an integral waterproofing compound/ dry-mix mortars for plasters, tile fixing, thin-bed jointing for blocks;

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

f) Fuel efficiency;

g) Reduction in special power consumption for grinding;

h) ACC Concrete admixture project resulted in cost savings on admixture buying cost with a consistent quality.

3. **Plan of action**

a) Development of application oriented cement focusing customer pain points with reduced carbon footprint;

b) Development of cement-based niche products;

c) Exploratory research works on the above specified areas;

d) Maximisation of use of waste/ byproducts in cement manufacture as alternative materials;

e) Improve product quality particularly with respect to long-term durability and reduction in cost of manufacture;

f) Implementing & developing complete range of concrete admixture for ACC RMX to maximise the potential for quality & cost.

4. **Expenditure on R&D**

	₹ Crore
a) Capital	Nil
b) Recurring (Gross)	0.63
c) Total	0.63
d) Total R&D expenditure as percentage of total turnover	-

C. **Foreign Exchange Earnings and Outgo**

	₹ Crore
Foreign Exchange earned	4.19
Foreign exchange outgo	473.87

36. OTHER DISCLOSURES

36.1 There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

36.2 The Company has not issued any shares with differential voting rights/ sweat equity shares.

36.3 There was no revision in the Financial Statements.

36.4 There has been no change in the nature of business of the Company as on the date of this report.

36.5 There are no proceedings, either filed by ACC or filed against ACC, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2021.

36.6 **Prevention of Sexual Harassment of Women at the Workplace**

ACC is an equal employment opportunity Company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. As an organisation, the Company is committed to ensure that every employee is treated with dignity and respect and works in a conducive work environment, which promotes professional growth of employee and encourages equality of opportunity. The Company has zero tolerance towards any act on the part of any executive, which may fall under the ambit of 'sexual harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman executive working in the Company.

Further, to provide an empowering and enabling atmosphere to women employees, the Company has continuously endeavoured to build the work culture, which promotes the respect and dignity of all women employees across the organisation. The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (**'POSH'**). The said policy has been made available on the internal portal of the Company as well as the website of the Company.

The Company has constituted of Internal Complaints Committee (**'ICC'**) under the POSH and has complied with the provisions relating to the same. The ICC has been set up comprising four (4) female employees of whom one female employee (1) is the Chairperson of the ICC and two (2) male employees of whom one (1) is the secretary of the ICC. There are two (2) external Members on the Committee who are specialists in dealing with such matters. The employees are sensitised from time to time in respect of matters connected with prevention of sexual harassment. Awareness programmes are conducted at unit levels to sensitise the employees to uphold the dignity of their female colleagues at workplace. The Company also conducted an E-learning programme for employees to cover various aspects of the subject matter. Number of cases filed and their disposal under Section 22 of the POSH is as follows:

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	1
Number of complaints filed during the financial year	0
Number of complaints pending as on the end of the financial year	0

37. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) that in the preparation of the annual Financial Statements for the year ended December 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

b) that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2021, and of the profit of the Company for the year ended on that date.

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

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

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

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

38. INTEGRATED REPORTING

For the fourth (4^{th}) year, the Company has drawn up an Integrated Report, which encompasses both financial and non-financial information to enable Members to have a more holistic understanding of the Company's long-term perspective. This year, the Integrated Reporting is more robust than before and details such as the organisation's strategy, governance framework, performance and prospects of value creation based on the six (6) forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital have been added. The Integrated Report for the year 2021 is presented in a separate section, forming part of the Annual Report and also hosted on the Company's website www.acclimited.com

The Annual Report also carries a detailed section containing the 'Business Responsibility Report'. Since 2007, the Company has been publishing an annual Corporate Sustainable Development Report (**'SD Report'**) conforming to the guidelines of the Global Reporting Initiative. From the year 2016, these reports are based on the GRI standards in accordance with the 'Comprehensive' option and have been externally assured. This year also the SD Report has been combined with the Integrated Report.

39. ACKNOWLEDGEMENTS

The Directors express their deep sense of gratitude to the Central and State Government Ministries and departments, shareholders, customers, business associates, bankers, employees, trade unions and all other stakeholders for their support and look forward to their continued assistance in future.

40. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent development, information or events or otherwise.

For and on behalf of the Board of Directors
For ACC Limited

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

Annexure 'A' to the Board's Report

DIVIDEND DISTRIBUTION POLICY

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

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

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

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

INTERNAL FACTORS

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

EXTERNAL FACTORS

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

The Company may recommend additional special dividend in special circumstances.

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

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

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

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

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

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

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

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

For and on behalf of the Board of Directors
For ACC Limited

Mumbai
February 9, 2022

N S Sekhsaria
Chairman

Annexure 'B' to the Board's Report

POLICY FOR REMUNERATION OF DIRECTORS, KMP AND MEMBERS OF THE EXECUTIVE COMMITTEE

Remuneration Philosophy

The collective responsibility of the Board of Directors is the guiding principle in determining the compensation for Non-Executive Directors, whilst at the same time recognising and adequately compensating the Chairman of the Board of Directors, the Chairman of the Audit Committee and Members of the Audit Committee and Compliance Committee for the additional responsibilities shouldered by them. The Chairman of the Board is required to provide leadership and balance conflicts of interest, if any, so that decisions are taken in the best interests of the Company and to ensure highest standards of governance. Likewise, the Members of the Audit Committee and the Compliance Committee have the onerous responsibility to respectively ensure adequacy of internal controls, robustness of financial policies and accounting/ principles and compliance with applicable laws. The Members of the Audit Committee and the Compliance Committee and particularly the Chairman of the Audit Committee is required to spend considerable time for providing guidance to the Management in dealing with major issues.

Remuneration

The remuneration of the Non-Executive Directors is determined within the limits prescribed under Section 197 read with the rules framed thereunder and Schedule V to the Companies Act, 2013 (hereinafter collectively referred to as **'the Act'**) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **'SEBI Regulations'**).

The Non-Executive Directors of the Company receive remuneration by way of sitting fees for attending the Board/ Committee Meetings and commission as detailed hereunder:

i. sitting fees for each meeting of the Board or Committee of the Board attended by the Director, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act;

ii. subject to the approval of the Members in General Meeting, payment of commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee, subject to the ceiling prescribed under the Act. Pursuant thereto, the total commission payable to the Directors shall not exceed 1% of the net profit of the Company;

iii. the commission is generally paid on a uniform basis, to reinforce the principles of collective responsibility of the Board;

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

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

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

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

viii. the commission shall be payable on a pro rata basis to those Directors who occupy office for part of the year;

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

The CSR Committee has decided not to accept any sitting fees and pursuant thereto, no sitting fees are paid to the Members of the CSR Committee for attending CSR Committee Meetings.

Remuneration Policy for the Chief Executive Officer & Managing Director (CEO & MD) and Executive Committee Members

The Company's compensation philosophy for the CEO & MD and the Executive Committee Members is broadly guided by the fact that the Company gains a competitive advantage in attracting, retaining and motivating talent. This can be ensured by providing a remuneration structure which when benchmarked with comparable companies within the industry/ sector compares favourably so as to attract talent. At the same time the reward proposition is linked to the overall company's performance, individual performance, employee's potential, criticality of the function and its importance for achieving a competitive advantage in business.

Remuneration Policy for the CEO & MD

i. The CEO & MD shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the CEO & MD, within the overall limits prescribed under the Act.

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

iii. The remuneration of the CEO & MD shall be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus and other long-term incentives.

iv. In determining the remuneration the Nomination & Remuneration Committee shall consider the following:

a) the relationship between remuneration and performance;

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

c) responsibility required to be shouldered by the CEO & MD, the industry benchmarks and current trends;

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

e) in keeping with best industry practices, to ensure that the remuneration is competitive and that it compares favourably with the Industry.

Remuneration Policy for the KMP and the Executive Committee Members

i. In determining the remuneration of the KMP (KMP) and Executive Committee Members, the Nomination & Remuneration Committee shall consider the following:

a) the relationship between remuneration and performance;

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

c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

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

ii. The CEO & MD will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned hereinabove, whilst recommending the annual increment and performance incentive to the Nomination & Remuneration Committee for its review.

CRITERIA FOR SELECTION OF CANDIDATES FOR APPOINTMENT AS DIRECTORS, KMP AND MEMBERS OF THE EXECUTIVE COMMITTEE

The Nomination & Remuneration Committee plays an important role in ensuring that there is a formal and transparent process for appointment to the Board of Directors and is, *inter alia*, responsible for identifying potential candidates for appointment as Directors. The Committee takes into account the Board's existing composition *vis-á-vis* the need to have a broad based and diverse Board commensurate with the size and complexity of the Company's operations. This ensures that the Company gets the maximum benefits from the contributions and deliberations of an accomplished and diverse group of individuals and professionals, that issues are discussed from different angles fostering creativity in the Board's decision-making process as well as provide for comprehensive strategic planning and effective risk management at the highest level.

Some of the important criteria considered by the Nomination & Remuneration Committee in identifying candidates for appointment as Directors are:

a) selection of candidates from a wide cross section of industries and professional backgrounds, qualifications, expertise and experience of the candidate, their domain and functional knowledge in the fields of manufacturing, marketing, finance, taxation, law, governance and general management so as to enable the Board to discharge its function and duties effectively;

b) in case of recommendation for appointment of Independent Directors, the Nomination & Remuneration Committee shall also satisfy itself with regard to the independent nature of the Director *vis-à-vis* the Company;

c) the candidates identified for appointment as Directors should not be disqualified for appointment under Section 164 of the Act;

d) the following attributes/ criteria will be considered whilst recommending the candidature for appointment as Director:

i. age of the candidate;

ii. integrity of the candidate;

iii. personal, Professional or Business Standing;

iv. diversity of the Board;

v. positive attributes of the candidate;

vi. in case of re-appointment of Non-Executive Directors, the Nomination & Remuneration Committee whilst making its recommendation to the Board of Directors, shall take into consideration the performance evaluation of the Director and his engagement level.

The Nomination & Remuneration Committee shall meet potential candidates to assess their level of competence, experience and their personal and other positive attributes before making its recommendation to the Board.

For the purpose of assessing the attributes of the candidate, the Committee shall, *inter alia*, take into consideration whether the candidate demonstrates:

- high standards of ethical behaviour;
- positive disposition, good interpersonal and communication skills;
- ability to think independently without being influenced by extraneous circumstances or consideration;
- capability to act with reasonable care, in good faith and in the best interests of the Company and its stakeholders;
- ability to devote time and attention for the business and governance of the Company;
- refrain from situations that may have a direct or indirect conflict of interest with those of the Company;
- acceptance to abide by the Company's Code of Business Conduct.

The Board of Directors (including the Nomination & Remuneration Committee) periodically review vacancies likely to occur on the completion of the tenure of Non-Executive Directors for timely filling of such vacancies.

In the selection of the CEO & MD, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise and experience, domain and functional knowledge required for such office and who demonstrate positive attributes as explained above. The ability of the candidate to adapt to the organisational culture and ethos are also considered. The Committee also ensures that the identified candidate is not disqualified for appointment as a Director. In this regard, the Committee also takes into consideration the recommendations received from any Member of the Committee/ Board of Directors. In case of appointment of persons to the Executive Committee, the Nomination & Remuneration Committee considers the recommendation of the CEO & MD in this regard, who shall base his recommendation on the assessment of the qualifications, expertise and experience functional knowledge and skills of the candidate, his/ her positive attributes and the ability and agility of the candidate to adapt to the overall organisational culture and ethos.

For and on behalf of the Board of Directors
For ACC Limited

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ('CSR') ACTIVITIES OF THE COMPANY

1. A brief outline on CSR Policy of the Company:

CSR Policy Statement

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

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

To pursue these objectives, we will continue to:

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

2. Composition of the CSR committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr Shailesh Haribhakti	Chairman, Independent Director	3	3
2.	Ms Falguni Nayar	Member, Independent Director	3	2
3.	Mr Neeraj Akhoury	Member, Non-Executive Non-Independent Director	3	3
4.	Mr Sridhar Balakrishnan	Member, Managing Director and Chief Executive Officer	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

https://www.acclimited.com/about/board-committees

https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf

https://www.acclimited.com/assets/new/pdf/CG/CSR_Projects_approved_by_the_Board_2021

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Impact assessment study has been initiated in the month of December, 2021 and is currently in progress.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set off from preceding financial years	Amount required to be set off for the financial year, if any
Not Applicable			

6. Average net profit of the Company as per Section 135(5): ₹1,771.98 Crore

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹35.44 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹35.44 Crore

8. (a) CSR amount spent or unspent for the financial year: ₹35.95 Crore (Spent)

Total Amount Spent for the Financial Year (₹ Crore)	Amount Unspent (₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
35.95	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project							Mode of Implementation – Through Implementing Agency	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	State	District	Project duration	Amount allocated for the project (₹ Crore)	Amount spent in the current financial Year (₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	Mode of Implementation – Direct (Yes/ No)	Name	CSR Registration number
1.	ACC DISHA	Youth Employability (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)		Ongoing	3.47	3.47	NA	Both Direct and through implementing agency	ACC Trust (CSR00002142) Head Held High Foundation (CSR00000919) Mahashakti Foundation(CSR00002561) American India Foundation (CSR00001977) DILASA Janvikas Pratishthan (CSR 0000000098)	
2.	ACC- LEISA	Sustainable Agriculture (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)		Ongoing	4.56	4.56		Both Direct and through implementing agency	ALIG Society (CSR00000778) Centre for Total Development (CSR00003712) LOKA KALYAN PARISHAD (CSR00004267) Mahatma Gandhi Samekit vikas evam shikshan sansthan (CSR00004433)	

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project: State District	(6) Project duration	(7) Amount allocated for the project (₹ Crore)	(8) Amount spent in the current financial Year (₹ Crore)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	(10) Mode of Implementation – Direct (Yes/ No)	(11) Mode of Implementation – Through Implementing Agency: Name CSR Registration number
3.	ACC - Swavlamban	Women Empowerment (Schedule VII – (iii) Promoting gender, equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	2.27	2.27		Both Direct and through implementing agency	Forum For Rural Development (CSR00004360) UDYOGINI (CSR00001487) Manav Jeevan Vikas Samiti (CSR00010810) Naad Gunjan Kala Parishad (CSR00004150) Jan Mangal Sansthan (CSR00005106) MYRADA (Mysore Resettlement And Development Agency) (CSR00001099) Rural Development Org. Trust (CSR00001452) Development Association for Human Advancement – DEHAT (CSR00001181) Baba Shri Gurubachan Educational Social and Welfare Society (CSR00004369) Jan Sevak Samiti (CSR00018176) Janki Foundation (CSR00007303) Ranthambhore Seva Sansthan (CSR00003704)
4.	ACC Vidya Utkarsh	Quality Education (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	4.49	4.49		Both Direct and through implementing agency	
5.	ACC Vidya Saarathi	Scholarship and support (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	1.81	1.81		Both Direct and through implementing agency	

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project: State District	(6) Project duration	(7) Amount allocated for the project (₹ Crore)	(8) Amount spent in the current financial Year (₹ Crore)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	(10) Mode of Implementation – Direct (Yes/ No)	(11) Mode of Implementation – Through Implementing Agency: Name CSR Registration number
6.	ACC-Arogyam	Health (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	12.19	12.19		Both Direct and through implementing agency	
7.	ACC - Sampoorn Swachhata	Sanitation (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	3.10	3.10		Both Direct and through implementing agency	
8.	ACC Sanrakshit Paryavaran	Conservation of Environment (Schedule VII – (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	1.41	1.41		Both Direct and through implementing agency	

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project							Mode of Implementation – Through Implementing Agency	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	State	District	Project duration	Amount allocated for the project (₹ Crore)	Amount spent in the current financial Year (₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	Mode of Implementation – Direct (Yes/ No)	Name	CSR Registration number
9.	ACC -Drona	Promoting Local, Arts and Culture (Schedule VII – (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports) (v) Protection ofnational heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)		Ongoing	0.95	0.95		Both Direct and through implementing agency		
Total							**34.25**	**34.25**				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Location of the project		Amount spent for the project (₹ Crore)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	State	District			Name	CSR registration number
Not Applicable									

(d) Amount spent in Administrative Overheads: ₹1.56 Crore

(e) Amount spent on Impact Assessment, if applicable: ₹0.14 Crore

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹35.95 Crore

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

Sl. No.	Particular	Amount (₹ Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	35.44
(ii)	Total amount spent for the Financial Year	35.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.51
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ Crore)	Amount spent in the reporting Financial Year (₹ Crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ Crore)
				Name of the Fund	Amount (₹ Crore)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ Crore)	Amount spent on the project in the reporting Financial Year (₹ Crore)	Cumulative amount spent at the end of reporting Financial Year. (₹ Crore)	Status of the project – Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s):

(b) Amount of CSR spent for creation or acquisition of capital asset:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable**

Sridhar Balakrishnan
MD & CEO

Shailesh V. Haribhakti
Chairman, CSR Committee

Yatin Malhotra
CFO

Annexure 'D' to the Board's Report

FORM NO. AOC-2

January-December 2021

Particulars of contracts/ arrangements made with related parties

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

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

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

Details of material contracts or arrangement or transactions at arm's length basis
The details of material contracts or arrangements or transactions at arm's length basis for the year ended December 31, 2021 are as follows:

Name of the Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (₹ Crore)
Nature of Contract				
Purchase of Goods				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	889.37
Sale of Goods				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	477.44
Receiving of Services				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	46.97
Rendering of Services				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	69.17
Use of Technology and Knowhow				
Holcim Technology Limited	Fellow Subsidiary	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	154.51
Total				**1637.46**

The transactions mentioned above are not material as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. However, the same are disclosed under AOC-2 as a matter of good corporate governance practice.

For and on behalf of the Board of Directors
For ACC Limited

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

Annexure 'E' to the Board's Report

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ACC LIMITED
Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ACC Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on December 31, 2021, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2021, according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(during the period under review not applicable to the Company);**

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

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

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(during the period under review not applicable to the Company);**

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(during the period under review not applicable to the Company);**

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(during the period under review not applicable to the Company);**

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(during the period under review not applicable to the Company);**

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(during the period under review not applicable to the Company);**

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

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

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

We further report that:

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

We further report that during the audit period the Company had the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The shareholders of the Company at their Annual General Meeting held on April 7, 2021 had approved a final dividend of ₹14/- per equity share of face value ₹10/- each for the financial year ended December 31, 2020.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No.: 3667
CP No.: 23905
UDIN: F003667C002478911

Place: Mumbai
Date: February 9, 2022

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' to MR-3 and forms an integral part of this report.

Annexure A to MR-3

To,
The Members,
ACC LIMITED
Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta**,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Dipti Mehta
Partner
FCS No.: 3667
CP No.: 23905
UDIN: F003667C002478911

Place: Mumbai
Date: February 9, 2022

Annexure 'F' to the Board's Report

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Disclosure
1.	The percentage increase in remuneration of CFO and CS in the financial year	Disclosed in point no. 7
2.	The percentage increase in the median remuneration of employees in the financial year	2.6%
3.	The number of permanent employees on the rolls of the Company	6,082
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the salaries of the employees other than Managerial Personnel is 6.5%. The average increase in remuneration of employees other than the Managerial Personnel is in line with the industry practice and is within normal range.
5.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed
6.	Median Remuneration of all the employees of the Company (₹ Lakh)	₹6.33 Lakh

7. Ratio of Remuneration of each Director and KMP to the median remuneration of all the employees of the Company for the year 2021.

Name of Director and KMP	Remuneration (₹ Lakh) 2021	Remuneration (₹ Lakh) 2020	% Increase in remuneration in the financial year 2021	Ratio to median Remuneration of all employees #
NON-EXECUTIVE DIRECTORS				
Mr N S Sekhsaria, Chairman	55.00	56.70	(3.00)	8.69
Mr Jan Jenisch, Deputy Chairman	21.50	22.50	(4.44)	3.40
Mr Martin Kriegner*	-	-	-	-
Mr Christof Hassig (Up to February 20, 2020)	-	3.59	-	-
Mr Vijay Kumar Sharma (Up to July 20, 2020)	-	14.14	-	-
Mr M. R. Kumar (Appointed w.e.f. October 19, 2020)	22.00	4.54	-	3.48
Mr Neeraj Akhoury* (Appointed as Non-Executive Director w.e.f. February 21, 2020)	-	-	-	-
INDEPENDENT DIRECTORS				
Mr Shailesh Haribhakti	44.00	47.20	(6.78)	6.95
Mr Sushil Kumar Roongta	44.10	47.30	(6.77)	6.97
Ms Falguni Nayar	24.40	26.40	(7.58)	3.85
Mr Sunil Mehta	43.20	47.70	(9.43)	6.82
Mr D Sundaram	53.00	56.70	(6.53)	8.37
Mr Vinayak Chatterjee	44.30	48.00	(7.71)	7.00
EXECUTIVE DIRECTOR				
Mr Neeraj Akhoury MD & CEO (Up to February 20, 2020)	56.69 ^	615.17	-	-
Mr Sridhar Balakrishnan, MD & CEO (Appointed as MD & CEO w.e.f. February 21, 2020)	515.00**	332.45	-	81.36
COMPANY SECRETARY				
Mr Rajiv Choubey	194.66##	226.57	(14.08)	30.75
CHIEF FINANCIAL OFFICER				
Ms Rajani Kesari (up to August 31, 2020)	28.39 ^^	409.77	-	-
Mr Yatin Malhotra (with effect from September 1, 2020)	207.00***	59.59	-	32.70

Notes:

#The ratios of remuneration to median remuneration of all the employees is provided only for those Directors & KMPs who have drawn remuneration for full financial year 2021.

*Mr Martin Kriegner and Mr Neeraj Akhoury have waived their right to receive Directors' commission and sitting fees.

**The remuneration of Mr Sridhar Balakrishnan includes the Performance Linked Incentive of ₹151.79 Lakh for the year 2020 and the performance shares of Holcim Ltd. (Ultimate Holding Company) of ₹54.95 Lakh.

^Received performance incentive for the year 2020 in April 2021 on pro-rata basis for the period January 1, 2020 to February 20, 2020.

^^ Received performance incentive for the year 2020 in April 2021 on pro-rata basis for the period January 1, 2020 to August 31, 2020.

*** The remuneration of Mr Yatin Malhotra includes the Performance Linked Incentive of ₹16.09 Lakh for the year 2020 and the performance shares of Holcim Ltd. (Ultimate Holding Company) of ₹11.76 Lakh.

##The remuneration of Mr Rajiv Choubey includes the Performance Linked Incentive of ₹34.92 Lakh for the year 2020.

The details given herein above are on accrual basis.

The % increase of remuneration is provided for only those Directors and KMPs who have drawn remuneration from the Company for full financial years 2020 & 2021.

For and on behalf of the Board of Directors
For ACC Limited

N S Sekhsaria
Chairman

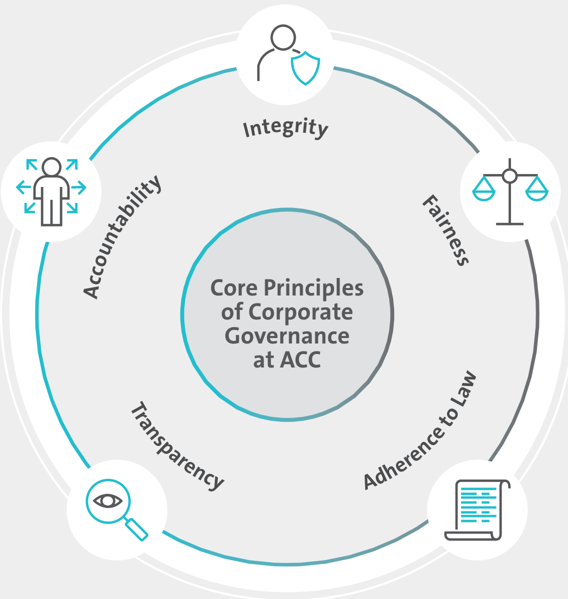
Mumbai
February 9, 2022

ACC'S PHILOSOPHY ON CORPORATE GOVERNANCE

For over eight (8) decades, we have strengthened our industry leadership on the pillar of our corporate governance philosophy. We have institutionalised a robust mechanism of corporate governance, long before it became a statutory requirement. Our governance framework enshrines ethical and responsible conduct of business to create lasting stakeholder value.

The governance framework and philosophy of the Company is inspired by ethics, values and culture of professionalism. We emulate the 'best practices' that are adhered to in the realm of corporate governance globally and these practices are integrated into our growth strategy.

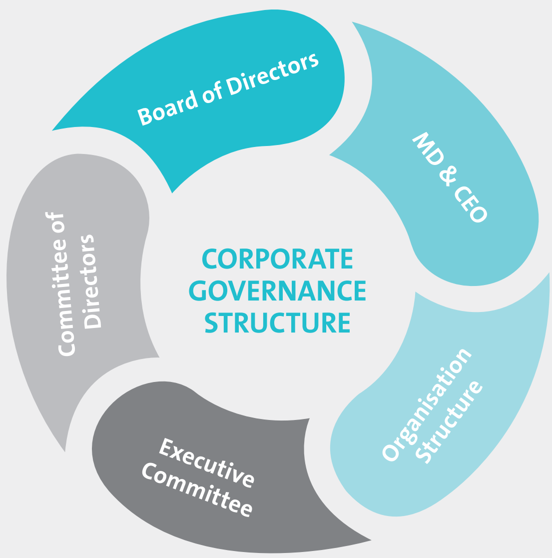
Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests. Our governance framework drives optimal utilisation of resources and accountability for stewardship. The Board remains at the top of the governance pyramid as a custodian of trust, with the employees at the base which ensures sustainable long term wealth creation.



The above-mentioned principles are integral to our business practices and have evolved, over the years, from the Company's culture of agility, continuous innovation and rich experiences gleaned from the past. This distilled wisdom has reinforced stakeholder trust and confidence, attracting and retaining financial and human capital and has helped us enormously in fulfilling societal aspirations.

Our core principles represent the edifice of our two-tier governance model, with the Board of Directors and the Committees of the Board at the apex and the management structure at the operational level. The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives and enhances value creation for all.

ACC's Corporate Governance Structure has evolved over the years and it provides a comprehensive framework to enhance accountability to shareholders and other stakeholders, ensures timely implementations of the plans and adequate disclosures of as well as fair dealings with shareholders and other stakeholder interests and maintenance of high standards of business ethics and integrity.



Board of Directors

ACC is a professionally managed Company functioning under the overall supervision of the Board of Directors (**'Board'**). Its Board comprises the required combination of Independent and Non-Independent Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 (**'the Act'**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (**'the SEBI Listing Regulations'**). The Company's Managing Director and Chief Executive Officer is the only Executive Director on the Board.

The Board of Directors comprises of highly experienced persons of repute and eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth.

The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

Committee of Directors

Having regard to the significant contributions that Committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board through its following Committees closely monitor various areas of business.

The Committees of the Board are:

(i) Audit Committee

(ii) Nomination & Remuneration Committee

(iii) Corporate Social Responsibility (**'CSR'**) Committee*

(iv) Sustainability Committee*

(v) Risk Management Committee and

(vi) Compliance Committee.

The Board has voluntarily set up the Compliance Committee, which oversees the legal compliance process, other legal matters and key litigation.

*w.e.f. January 1, 2022, the CSR & Sustainability Committee was split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee

Managing Director & Chief Executive Officer ('MD & CEO')

The MD & CEO is at the helm of operations and responsible for the Company's day-to-day operations. MD & CEO functions under the guidance and directions of the Board and provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board and its various Committees.

Executive Committee ('ExCo')

The ExCo comprises of executives of the senior management cadre who are drawn from a cross-section of functions and responsibilities. The ExCo supports the MD & CEO and operates within the framework of the policies laid down by the Board and is responsible & accountable for overall business deliverables.

The ExCo meets regularly to review and monitor the performance *vis-à-vis* the annual plans & budgets, discusses cross-functional operational matters and addresses business challenges and issues.

Organisational structure, roles and responsibilities

ACC operates its business with a functional organisational structure. ExCo and other functional heads provide the expertise to face operational challenges with agility and efficiency.

Led by the MD & CEO, it comprises verticals for the functions of Sales & Marketing, Manufacturing, Human Resources, Finance, Procurement, Supply Chain, Legal & RMX functions. The business operates through three (3) regional manufacturing clusters (North, East, South West and Central) and three (3) regional Sales & Marketing Offices (North, East and Central, South and West).

The regional Heads for Sales, Logistics, Finance and Human Resource have a direct reporting line to the respective vertical heads. The heads of plants report to the respective manufacturing cluster head in the region. The procurement activities are managed by the India Procurement Organisation executed from five (5) procurement cluster offices. The Heads of the Finance, Human Resource, Procurement, Supply Chain, Sales & Marketing, Legal, Secretarial & Compliance, Health & Safety departments report to the MD & CEO.

BOARD OF DIRECTORS

The composition of the Board is in conformity with Regulation 17 and Regulation 17A of the SEBI Listing Regulations read with Section 149 of the Act.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on December 31, 2021, none of the Directors of the Company:

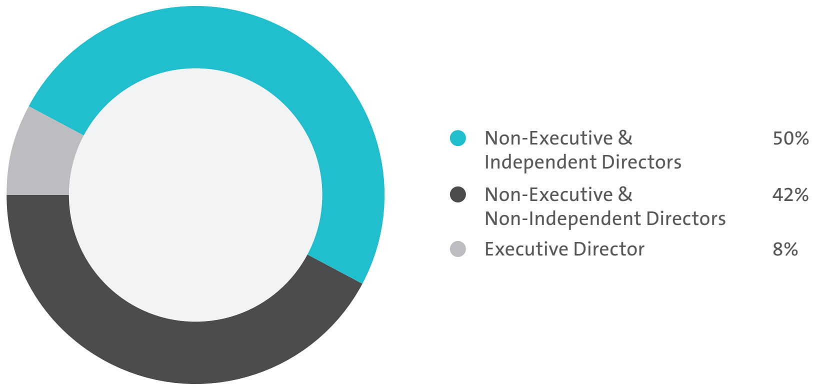
- holds Directorship positions in more than twenty (20) companies [including ten (10) public limited companies and seven (7) listed companies];
- holds Executive Director position and serves as an Independent Director in more than three (3) listed companies; and
- is a Member of more than ten (10) Committees and/ or Chairperson of more than five (5) Committees, across all the Indian public limited companies in which they are Directors.

For the purpose of determination of Committee position limits, chairperson and membership positions of the Audit Committee (**'AC'**) and the Stakeholders' Relationship Committee (**'SRC'**) have been considered in terms of Regulation 26 of the SEBI Listing Regulations.

None of the Directors have attained the age of Seventy-five (75) years.

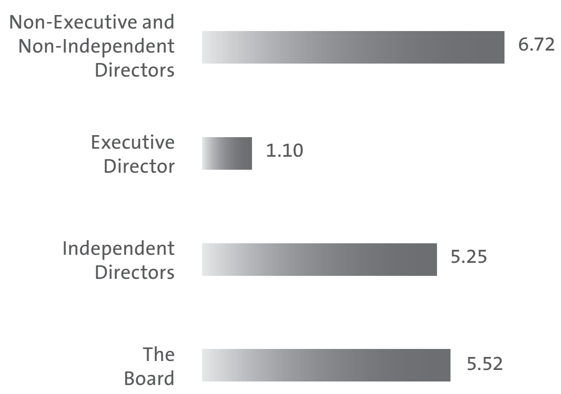
Size and Composition of the Board as on December 31, 2021

Composition of Board



Tenure Analysis of the Board as on December 31, 2021

Average Tenure in years (category-wise)



Present Tenure of Directors in years

Key Board qualifications, expertise and attributes

The ACC Board comprises professionals of eminence and stature drawn from diverse fields. The Board of Directors collectively bring to the fore a wide repertoire of skills and experience, which elevates the quality of the Board's decision-making and allows them to make effective contribution to the Board and its Committees.

The Board takes care of the business and stakeholders' interest. The Non-Executive Directors, including the Independent Directors are well qualified, experienced and renowned persons from the fields of manufacturing/ Cement manufacturing, finance, infrastructure, governance, mining/ metallurgy, retail mergers and acquisitions and technology, amongst others. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance and compliance, amongst others. The Board's guidance provides foresight, enhances transparency and adds value in decision-making.

The table below summarises the key skills, attributes and competencies identified by the Board of Directors to function effectively:

Definition of key skills/ attributes/ competencies

Financial Literacy	Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources, experience in the fields of taxation, audit, financial management, banking, insurance and investments, treasury, fund raising, private equity, venture capital investments and internal controls.
Sustainability	Experience in guiding the sustainability and ESG visions of organisations and promoting integration of these into the overall strategy and value chain of the Company as well as helping the organisation in fulfilling its responsibility towards the society.
Sales & Marketing Management	Understanding the market dynamics, experience in developing strategies to increase sales and market share, build brand awareness and equity, enhancing brand reputation, experience in overseeing large supply chain operations and optimum resource utilisation, realisation of market potential and the competitive advantages.
Industry Acumen	Expertise and knowledge of business related issues in general and those of Cement business in particular, oversight and knowledge of working of similar industries in which the Company operates, perspective on markets and opportunities.
Innovation & Technology	Experience in innovative use of information technology across the value chain and use of IT to enhance the business practices, anticipating technology driven changes and disruptions, ability to analyse the information and share innovative approaches and solutions to the problems, appreciation of latest IT trends and promoting use of cyber security controls across the organisation.
General Management	Experience in leading well-governed large organisations, possessing intrinsic leadership skills including the ability to appropriately represent the Company, set appropriate Board and organisation culture.
Strategy & Operations	Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities and Demonstrated strengths in developing talent, succession planning, driving change and long-term growth.

Directors' profile

Brief details of Directors as on December 31, 2021 are mentioned as under:-

MR N S SEKHSARIA
(DIN: 00276351)
(Non-Executive and Non-Independent Director)

Nationality	:	Indian
Age	:	72 years
Date of Initial Appointment	:	December 27, 1999
Term ending date	:	NA
Shareholding	:	Nil

Areas of expertise

MR JAN JENISCH
(DIN: 07957196)
(Non-Executive and Non-Independent Director)

Nationality	:	German
Age	:	55 years
Date of Initial Appointment	:	October 17, 2017
Term ending date	:	NA
Shareholding	:	Nil

Areas of expertise

MR NEERAJ AKHOURY
(DIN: 07419090)
(Non-Executive and Non-Independent Director)

Nationality	:	Indian
Age	:	53 years
Date of Initial Appointment	:	December 16, 2016
Term ending date	:	NA
Shareholding	:	Nil

Areas of expertise

MR MARTIN KRIEGNER
(DIN: 00077715)
(Non-Executive and Non-Independent Director)

Nationality	:	Austrian
Age	:	60 years
Date of Initial Appointment	:	February 11, 2016
Term ending date	:	NA
Shareholding	:	Nil

Areas of expertise

MR SHAILESH HARIBHAKTI
(DIN: 00007347)
(Non-Executive and Independent Director)

Nationality	:	Indian
Age	:	65 years
Date of Initial Appointment	:	February 17, 2006
Term ending date	:	July 23, 2024
Shareholding	:	Nil

Areas of expertise

MR SUSHIL KUMAR ROONGTA
(DIN: 00309302)
(Non-Executive and Independent Director)

Nationality	:	Indian
Age	:	71 years
Date of Initial Appointment	:	February 3, 2011
Term ending date	:	July 23, 2024
Shareholding	:	Nil

Areas of expertise

MS FALGUNI NAYAR
(DIN: 00003633)
(Non-Executive and Independent Director)

Nationality	:	Indian
Age	:	58 years
Date of Initial Appointment	:	April 24, 2014
Term ending date	:	April 23, 2024
Shareholding	:	Nil

Areas of expertise

MR D SUNDARAM
(DIN: 00016304)
(Non-Executive and Independent Director)

Nationality	:	Indian
Age	:	68 years
Date of Initial Appointment	:	March 22, 2019
Term ending date	:	March 21, 2024
Shareholding	:	Nil

Areas of expertise

MR VINAYAK CHATTERJEE
(DIN: 00008933)
(Non-Executive and Independent Director)

Nationality	:	Indian
Age	:	62 years
Date of Initial Appointment	:	March 22, 2019
Term ending date	:	March 21, 2024
Shareholding	:	Nil

Areas of expertise

MR SUNIL MEHTA
(DIN: 00065343)
(Non-Executive and Independent Director)

Nationality	:	Indian
Age	:	64 years
Date of Initial Appointment	:	March 22, 2019
Term ending date	:	March 21, 2024
Shareholding	:	Nil

Areas of expertise

MR SRIDHAR BALAKRISHNAN
(DIN: 08699523)
(MD & CEO)

Nationality	:	Indian
Age	:	51 years
Date of Initial Appointment	:	February 21, 2020
Term ending date	:	February 20, 2025
Shareholding	:	Nil

Areas of expertise

MR M R KUMAR
(DIN: 03628755)
(Non-Executive and Non-Independent Director)

Nationality	:	Indian
Age	:	60 years
Date of Initial Appointment	:	October 19, 2020
Term ending date	:	NA
Shareholding	:	Nil

Areas of expertise

The detailed profiles of Directors is available on the Company's website and can be accessed on web link at https://www.acclimited.com/about/board-of-directors

Directorships and Memberships of Committees

The total number of Directorship(s) held by the Directors and the Memberships/ Chairmanships on Committees held by them as mentioned hereunder, is in compliance with the provisions of the Act and the SEBI Listing Regulations. None of the Directors are related *inter se*.

Name of the Director	Category	*Number of Directorship(s) held in other Public Companies	*Directorship(s) held in Indian public listed companies (including ACC)	**Committee(s) position (including ACC) Member	Chairman
Mr N S Sekhsaria (Chairman)	Non-Executive/ Non-Independent	4	1. ACC Limited@%; 2. Ambuja Cements Limited@%; 3. Everest Industries Limited@	0	0
Mr Jan Jenisch (Deputy Chairman)	Non-Executive/ Non-Independent	2	1. ACC Limited@; 2. Ambuja Cements Limited@	0	0
Mr Neeraj Akhoury	Non-Executive/ Non-Independent	4	1. ACC Limited@; 2. Ambuja Cements Limited^	1	0
Mr Martin Kriegner	Non-Executive/ Non-Independent	3	1. ACC Limited@; 2. Ambuja Cements Limited@	2	0
Mr Shailesh Haribhakti	Non-Executive/ Independent	10	1. ACC Limited#; 2. Ambuja Cements Limited#; 3. Torrent Pharmaceuticals Limited#; 4. L&T Finance Holdings Limited#%; 5. Blue Star Limited#%; 6. Future Lifestyle Fashion Limited#%; 7. Bajaj Electricals Limited#	10	4
Mr S K Roongta	Non-Executive/ Independent	8	1. ACC Limited#; 2. JK Paper Limited@; 3. Jubilant Pharmova Limited#; 4. Jubilant Ingrevia Limited#; 5. Titagarh Wagons Limited#	5	2
Ms Falguni Nayar	Non-Executive/ Independent	4	1. ACC Limited#; 2. Dabur India Limited#; 3. FSN e-commerce Ventures Limited^	1	0
Mr D Sundaram	Non-Executive/ Independent	5	1. ACC Limited#; 2. Infosys Limited#; 3. Crompton Greaves Consumer Electricals Limited#; 4. GlaxosmithKline Pharmaceuticals Limited#	7	5
Mr Vinayak Chatterjee	Non-Executive/ Independent	4	1. ACC Limited#; 2. Apollo Hospitals Enterprise Limited#; 3. Indraprastha Medical Corporation Limited#; 4. KEC International Limited@	2	0
Mr Sunil Mehta	Non-Executive/ Independent	3	1. ACC Limited#; 2. Yes Bank@%	3	1
Mr Sridhar Balakrishnan	MD & CEO/ Executive	3	1. ACC Limited^	1	0
Mr M R Kumar	Non-Executive/ Non-Independent	6	1. ACC Limited@; 2. LIC Housing Finance Ltd$%; 3. IDBI Bank Ltd@%	0	0

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

**Committees considered are AC & SRC.

None of the Directors hold Chairmanship/ Committee memberships across companies with which they are associated as Directors beyond the threshold stipulated in the Listing Regulations.

Category of Directorship held:

@Non-Executive & Non-Independent

#Non-Executive & Independent

^Executive

$Nominee

% Chairman

Board diversity

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

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

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken D&O for all its Directors and members of the Senior Management for such quantum and for such risks as determined by the Board of Directors.

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders, particularly the minority shareholders.

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

Mr Haribhakti and Mr Roongta were re-appointed by the Members for a second term of five (5) years with effect from July 24, 2019 whilst Ms Nayar has been re-appointed for a second term with effect from April 24, 2019 for a period of five (5) consecutive years.

Mr D Sundaram, Mr Vinayak Chatterjee and Mr Sunil Mehta have been appointed by the members as Independent Directors for the first term at the Annual General Meeting held on March 22, 2019 for a period of five (5) consecutive years.

All the Independent Directors on the Board of the Company have submitted their respective declarations confirming that they meet the criteria of independence as mentioned in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. Also, in terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, all the Independent Directors fulfil the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act and are independent of the Management.

The maximum tenure of the Independent Directors is in compliance with the provisions of the SEBI Listing Regulations and the Act. No Independent Director of the Company has resigned or was re-appointed during the financial year under review.

Meeting of Independent Directors

During the year under review, the Independent Directors met on December 15, 2021, *inter alia* to discuss:

- evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and
- other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the meetings and the openness and transparency with which the Management discusses various subject matters specified in the agendas of meetings. The consolidated Evaluation Report of the Board, based on inputs received from the Directors was discussed at the meeting of the Board held on December 16, 2021 and the action areas identified in the process are being implemented to ensure a better interface at the Board/ Management level.

Induction programme for new Directors and on-going familiarisation programme for existing Independent and Non-Independent Directors

A formal induction programme for new Directors and an on-going familiarisation process with respect to the business/ working of the Company, the Company's business model for all Directors is a major contributor to familiarise the Directors with the dynamics of the cement industry to facilitate their engagement in meaningful deliberations and in taking informed decisions.

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

By way of an introduction to the Company, the Directors are presented with a book on the rich legacy of the Company, which traces its history of over eight (8) decades of its existence, past Annual Reports, the Sustainable Development Reports, brochure on the CSR activities pursued by the Company and brochure which discusses various topics related to cement, its applications, etc. and ACC Parivar, the Company's house magazine.

A presentation is also shared with the newly appointed Director, which provides an overarching perspective of the cement industry, organisational set up of the Company and governance model, the functioning of various divisions/ departments, the Company's market share and the markets in which it operates, brand equity, internal control processes and other relevant information pertaining to the Company's business.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/ her to effectively fulfil his/her role. In addition, Board Members are regularly informed about significant developments in the cement industry, regulatory changes and other developments, which impact the Company.

Directors are also encouraged to visit the Company's plants to have a better insight of the manufacturing processes, facilities and the social environment in which the Company functions. Further, as an on-going process, the Board is updated on a regular basis through presentations and discussions on the overall economic trends, the legal and regulatory framework and amendments thereto, the performance of the Company and that of the cement industry, analysis of the circumstances which have helped or adversely impacted the Company's performance with its peers in the industry based on the information as available in the public domain and the initiatives taken/proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks, mitigation plans and so on.

The Independent Directors of the Company were provided with an induction booklet containing details such as industry overview, manufacturing and operations, logistics, procurement, branding, introduction to Global Digital Hub, sustainability and CSR initiatives as well as governance and compliance framework of the Company.

Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through the weblink at https://acclimited.com/assets/new/pdf/CG/Familiarization-Programme-2021.pdf

Performance evaluation of the Board and individual Directors

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance as well as the working of its Audit, Nomination & Remuneration, Compliance, Risk Management, Stakeholders' Relationship and CSR & Sustainability Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors which covered aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/ Committees, *inter alia*, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/ Committees, independence of judgement exercised by Independent Directors, interpersonal relationship and so on.

Based on the inputs received from the Directors, an action plan is being drawn up in consultation with the Directors to encourage their greater engagement with the Company.

Remuneration of Directors

The remuneration of the Board of Directors during the year is set out below. The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by Members of the Company. None of the Directors of the Company have any pecuniary relationship with the Company apart from receiving the remuneration as mentioned below. The remuneration paid to the Non-Executive Directors does not exceed the threshold specified in Regulation 17(6) (ca) of the SEBI Listing Regulations and no approval of the shareholders by Special Resolution was called for.

The details of remuneration for the year ended December 31, 2021 are given hereunder:

(₹ Lakh)

Name of the Director	Salary/ Incentive	Commission	Sitting Fees	Total
Mr N S Sekhsaria, Chairman	-	50.00	5.00	55.00
Mr Jan Jenisch, Deputy Chairman	-	20.00	1.50	21.50
#Mr Neeraj Akhoury (MD up to February 20, 2020)	56.69	-	-	56.69
*Mr Neeraj Akhoury (Non-Executive Director w.e.f. February 21, 2020)	-	-	-	-
*Mr Martin Kriegner	-	-	-	-
Mr Shailesh Haribhakti	-	36.00	8.00	44.00
Mr S K Roongta	-	36.00	8.10	44.10
Ms Falguni Nayar	-	20.00	4.40	24.40
Mr D Sundaram	-	45.00	8.00	53.00
Mr Vinayak Chatterjee	-	36.00	8.30	44.30
Mr Sunil Mehta	-	36.00	7.20	43.20
**Mr Sridhar Balakrishnan	515.00	-	-	515.00
Mr M R Kumar	-	20.00	2.00	22.00

#Received performance incentive for the year 2020 in the year 2021 on pro rata basis for the period January 1, 2020 to February 20, 2020.

*Mr Martin Kriegner and Mr Neeraj Akhoury have waived their right to receive Directors' commission and sitting fees.

**The remuneration of Mr Sridhar Balakrishnan includes the Performance Linked Incentive of ₹151.79 Lakh for the year 2020 and the performance shares of Holcim Ltd. (Ultimate Holding Company) of ₹54.95 Lakh.

In accordance with the SEBI Listing Regulations, no employee including Key Managerial Personnel or Director or Promoter of a listed entity, shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from shareholders by way of an ordinary resolution. No such instances were reported during the financial year ended December 31, 2021.

The policy for payment of remuneration to Directors, Key Managerial Personnel and members of the Executive Committee is set out on the website of the Company and can be accessed through the weblink at www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

Employment agreement entered with MD & CEO

The Company had entered into an agreement with Mr Sridhar Balakrishnan, MD & CEO and the same can be accessed at the website of the Company through the weblink at https://acclimited.com/securepdf/Agreement-bsridhar

Meetings

Board meetings held during the year under review

Dates on which the Board meetings were held in 2021	Total strength of the Board	Number of Directors present
February 11, 2021	12	11
March 25, 2021	12	11
April 19, 2021	12	12
July 19, 2021	12	11
August 3, 2021	12	11
October 19, 2021	12	10
December 16, 2021	12	11

The gap between any two (2) Board meetings did not exceed one hundred and twenty (120) days in line with the requirements of the Act and the SEBI Listing Regulations.

Attendance of Directors at Board meetings and Annual General Meeting

Name of the Director	Attendance at the Board meetings held on February 11, 2021	March 25, 2021	April 19, 2021	July 19, 2021	August 3, 2021	October 19, 2021	December 16, 2021	Attendance at the AGM held on April 7, 2021
Mr N S Sekhsaria	✓	✓	✓	✓	✓	✓	✓	LOA
Mr Jan Jenisch	LOA	✓	✓	LOA	LOA	LOA	✓	✓
Mr Neeraj Akhoury	✓	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	✓	✓	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	✓	✓	✓
Mr S K Roongta	✓	✓	✓	✓	✓	✓	✓	✓
Ms Falguni Nayar	✓	✓	✓	✓	✓	✓	✓	✓
Mr D Sundaram	✓	✓	✓	✓	✓	✓	✓	✓
Mr Vinayak Chatterjee	✓	✓	✓	✓	✓	✓	✓	✓
Mr Sunil Mehta	✓	✓	✓	✓	✓	✓	✓	✓
Mr Sridhar Balakrishnan	✓	✓	✓	✓	✓	✓	✓	✓
Mr M R Kumar	✓	LOA	✓	✓	✓	LOA	LOA	LOA

LOA – Leave of Absence

Duties and functions of the Board

The Board of Directors' primary responsibility is to foster the Company's short and long-term success through sustainable continuance and progress of its business and thereby create value for its stakeholders. To this end, the Board of Directors sets out the corporate culture, lays down high ethical standards of corporate behaviour and ensures transparency in its dealings.

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the Management, who is responsible for the day-to-day operations. It does this by providing strategic guidance, monitoring operational performance and ensuring that robust policies and procedures are in place. The Board through its various Committees also reviews the identified risks and the mitigation measures undertaken/ to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards CSR. In particular, the Board reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure. It monitors overall operating performance, Health & Safety (H&S) performance and reviews such other items which require the Board's attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability. The agenda for the Board meetings covers items as set out in the SEBI Listing Regulations to the extent that they are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The agenda is sent to the Directors within the period stipulated in the Secretarial Standards. The Board processes are also in consonance with the requirements of the Secretarial Standard-1 relating to the meetings of the Board and its Committees.

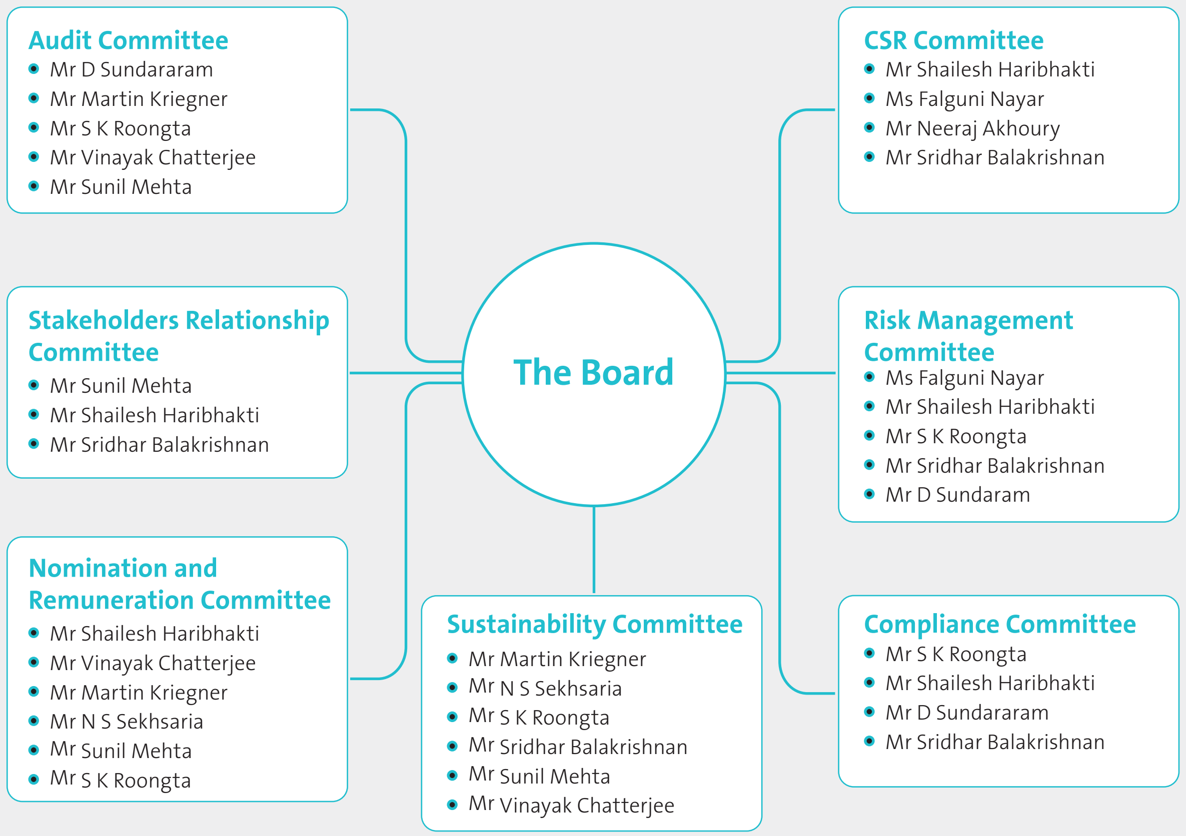
All the recommendations of the various Committees of the Board have been accepted by the Board of Directors and none of the Directors are influenced by the Management.

COMMITTEES OF THE BOARD

The Company has over the years maintained the highest standards of corporate governance processes and has had the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements. For instance, the Board of Directors had constituted the Audit Committee in 1986. A Share Committee was constituted in 1962 to evaluate share-related matters of the Company and investor relations, which has transformed into the Stakeholders' Relationship Committee. Likewise, a Compensation Committee was constituted in 1992. The Committee has subsequently been re-constituted as the Nomination & Remuneration Committee with wider terms of reference as per statutory requirements.

The constitution, terms of reference and the functioning of the existing Committees of the Board is explained hereunder. Each Committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support, enhancing the qualitativeness of the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

The meetings of each of these Committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their meetings. The minutes of the Committee meetings are sent to all Directors individually for their approval/ comments as prescribed in Secretarial Standards-1 and after the minutes are duly approved, these are circulated to the Board of Directors and presented at the Board meetings.



AUDIT COMMITTEE

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance and reviews the Company's statutory and internal audit processes.

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. More than two-third ($2/3^{rd}$) of the members of the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the SEBI Listing Regulations. All the members on the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. The Chairman of the Committee possesses professional qualifications in the field of Finance and Accounting.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee meetings. They have attended all Audit Committee meetings held during the year at which the Financial Statements have been placed for review. The representative of the Cost Auditor is invited to attend the meeting of the Audit Committee at which the Cost Audit Report is presented for discussion. The MD & CEO, the Chief Financial Officer (**'CFO'**), the Chief Internal Auditor and the Chief Manufacturing Officer attend the meetings of the Committee. The Chief Legal Officer & Company Secretary is the Secretary of the Committee.

During the year under review, the Audit Committee also held a separate one-to-one meeting with the Statutory Auditors and the Chief Internal Auditor to obtain their inputs on significant matters relating to their respective areas of audit without the presence of the MD & CEO, CFO and others representing the Management.

The Terms of Reference of the Committee *inter alia* include:

A. General

i. Develop, with the appropriate assistance from the statutory auditors, the internal auditors and management, an annual audit plan, internal audit plan and other plans/ matters to be reviewed as part of the responsibilities of the Committee;

ii. Perform such other role as mandated to the Committee by the Board of Directors and under the applicable rules/ regulations/ laws.

B. Financial Reporting and Financial Reporting Processes

i. Oversight of the Company's financial reporting process and the disclosure of financial statements/ results and information submitted to the stock exchanges, regulatory authorities or the shareholders to ensure that the financial statement reflect a true and fair view correct and the same time sufficient and credible;

ii. Review with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act;

b) Changes, if any, in the accounting policies and reasons for the same;

c) Major accounting entries involving estimates based on the exercise of the judgement by the management;

d) Significant adjustments, if any, made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements concerning financial statement;

f) Disclosure in financial statements including related party transactions;

g) Qualification/ modified opinion, if any, in draft audit report.

iii. Review accounting adjustments, if any, that are noted or proposed by the statutory auditors but were 'passed' (as immaterial or otherwise);

iv. Scrutiny of inter-corporate loans and investments;

v. Valuation of undertakings or assets of the Company, wherever it is necessary;

vi. Monitoring the end use of funds raised through public offers and related matters;

vii. Review with the management the quarterly financial statements before submission to the Board for approval;

viii. Review of the Management Discussion & Analysis of financial and result of operations;

ix. Consider and discuss with the statutory auditors its judgements about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting with reference to Generally Accepted Accounting Principles in India;

x. Review financial statements including details of significant transactions/ investments by the subsidiaries.

C. Risk Management, Internal Control and Governance Processes

i. Review and discuss with Management the adequacy of the Company's system of business risk assessment including the risk of fraud. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;

ii. Review and discuss with the statutory auditors, the internal auditors and management the adequacy and effectiveness of the Company's system of internal controls;

iii. Review any material defalcations or acts of fraud/ misconduct as reported by the Risk Management Committee.

D. Statutory Audit

i. Recommend to the Board the appointment, re-appointment, terms of reference and, if required the replacement or removal of the Statutory Auditors, Cost Auditors and Secretarial Auditors considering their independence and effectiveness and also recommend the audit fees;

ii. Give approval of all auditing and permissible non-auditing services (services other than those services which cannot be rendered by the Statutory Auditors as per Section 144 of the Act) to be rendered by the Statutory Auditors and determining the remuneration for all such services;

iii. Annually review and discuss with the Statutory Auditors all significant relationships that they have with the Company or any of its related parties to determine the auditors' independence;

iv. Review the performance of the Statutory Auditors;

v. Review and discuss the nature and scope of the Statutory Auditors' annual audit as well as post-audit discussion with the Auditors to ascertain any area of concern;

vi. Mandatory review of Management Letters/letters of internal control weaknesses and any significant findings and recommendations issued by the Statutory Auditors together with Management's response thereto;

vii. Following completion of the annual audit, review and discuss with the Statutory Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

viii. Meet at least once every six (6) months, separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed separately;

ix. Review the annual Cost Audit report submitted by the Cost Auditors.

E. Internal Audit

i. Review the Internal Audit scope and recommend changes, if any;

ii. To approve appointment, removal and terms of remuneration of Chief Internal Auditor;

iii. Review with the Management the performance of the internal auditors and adequacy of the internal controls;

iv. Consider and approve, in consultation with the Statutory Auditors and the Head of Internal Audit, the annual scope and plan of the Company's Internal Audit and any significant changes thereto;

v. Review the adequacy of the Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

vi. Review with the Internal Auditor and the Statutory Auditors the co-ordination of audit efforts to assure adequacy of coverage, reduction of redundant efforts and the effective use of audit resources;

vii. Review internal audit reports relating to internal control weaknesses;

viii. Review any significant findings and recommendations of Internal Audit, together with Management's responses thereto;

ix. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of an internal control system of a material nature and reporting the matters to the Board;

x. Review with the Internal Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

xi. Meet at least once every six (6) months, separately with the Chief Internal Auditor to discuss any matters that the Committee or the Chief Internal Auditor believes should be discussed separately.

F. Other Responsibilities

i. (a) Approval of Related Party Transactions (**'RPTs'**) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPTs subject to conditions specified in Regulation 23 of the SEBI Listing Regulations;

(b) Review of RPTs on a quarterly basis;

ii. Review of internal control systems, policies and procedures under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

iii. Review of key new developments in Tax, Incentive and Legal matters;

iv. Perform other activities as required by law or determined by the Board;

v. Approval of appointment of CFO after assessing his qualification, experience & background etc.;

vi. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;

vii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

viii. Institute and oversee special investigations as needed;

ix. Periodically report to the Board or Committee of the Board *inter alia* all significant matters that have come to the knowledge of the Committee, covering internal controls, financial statements, policies and statutory/ regulatory compliances;

x. Confirm annually that all responsibilities outlined in this Charter have been carried out by the Committee;

xi. Self-evaluation of the Committee's performance once every year.

G. Vigil Mechanism

To oversee and review the Vigil Mechanism/ whistle-blower function established by the Company to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company's Code of Conduct.

The Company will provide adequate safeguards against victimisation of persons who use this mechanism. Such persons shall have direct access to the Chairman of the Audit Committee when appropriate.

The composition of the Audit Committee as on December 31, 2021 and details of the member's participation at the meetings of the Committee are as under:

		Attendance at the Audit Committee meeting held on					
Name of the Director	Category	February 11, 2021	April 19, 2021	June 14, 2021	July 19, 2021	October 19, 2021	November 22, 2021
Mr D Sundaram, Chairman	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	Non-Executive/ Non-Independent	✓	✓	✓	✓	✓	✓
Mr S K Roongta	Non-Executive/ Independent	✓	✓	✓	✓	LOA	✓
Mr Vinayak Chatterjee	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Sunil Mehta	Non-Executive/ Independent	✓	✓	✓	✓	✓	LOA

LOA – Leave of Absence

Mr D Sundaram, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

Performance review of the Audit Committee

The performance of the Audit Committee is assessed annually by the Board of Directors through a structured questionnaire which broadly covers composition of the Committee, frequency of meetings, engagement of the Members, the quality of discussions, overview of the financial reporting process, adequacy of internal control systems and overview of internal and external audits. The results of the assessment are presented to the Committee along with the action plan in the areas requiring improvement, if any, which are suitably addressed.

STAKEHOLDERS' RELATIONSHIP COMMITTEE ('SRC')

The composition of the SRC of the Board is in line with the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The SRC comprises three (3) members of which two-thirds (2/3rd) of the members including the chairman are Independent Directors. The Committee is governed by a Charter.

The terms of reference of the Committee are:

- To review the steps taken to resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- To review the measures taken for effective exercise of voting rights by shareholders;
- To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
- To approve issue of duplicate share certificates for shares reported lost, defaced or destroyed as per the laid down procedure;
- To issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/ certificates;
- To issue and allot right shares/ bonus shares pursuant to a Rights Issue/ Bonus Issue subject to such approval as may be required;
- To monitor dematerialisation of shares and all matters incidental or related thereto;
- To authorise the Company Secretary & Head Compliance/ other officers of the Company to attend to take such actions as necessary or deemed fit by the Committee for any matter and to monitor action taken;
- To monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;
- Review of transfer of unpaid/ unclaimed dividend/ shares to the Investor Education and Protection Fund of the Government of India in line with the relevant Rules thereunder;
- All other matters incidental or related to shares of the Company;
- Perform such other functions as may be required by law, the Company's Articles of Association or as may be assigned by the Board of Directors.

The composition of the SRC as on December 31, 2021 and details of the members participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Stakeholders' Relationship Committee meeting held on		
		February 10, 2021	July 16, 2021	October 18, 2021
Mr Sunil Mehta, Chairman	Non-Executive/ Independent	✓	✓	✓
Mr Shailesh Haribhakti	Non-Executive/ Independent	✓	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓	✓

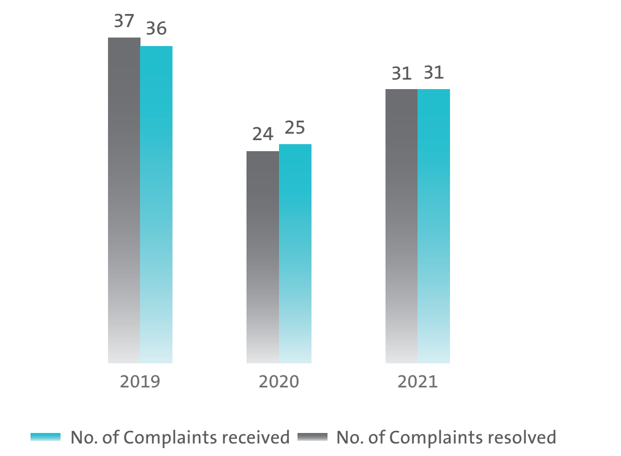
Mr Sunil Mehta, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

Mr Rajiv Choubey, Chief Legal Officer and Company Secretary, functions as the compliance officer. He has also been appointed as the nodal officer in line with statutory requirements.

During the year, Twenty-four (24) complaints were received from shareholders relating to transfers/ transmission of shares, issue of duplicate share certificates and related matters. These complaints were attended within a period of thirty (30) days from the date of receipt by the Company as on December 31, 2021 which now stands resolved as on the date of this Report.

Analysis of Complaints received and resolved during the year ended December 31, 2021 and previous years:

Details of Complaints received and resolved



NOMINATION & REMUNERATION COMMITTEE ('N&RC')

The N&RC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The N&RC is governed by a Charter in line with the Act and the SEBI Listing Regulations. The Chairman of the Committee is an Independent Director and two-third (2/3rd) of the Members of the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does not chair the Committee.

The terms of reference of the Committee *inter alia*, include the following:

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Formulate criteria for determining qualifications, attributes and Independence of a Director;
- Devising a policy on Board Diversity;
- Review the Succession Policy of the Company under the overall guidance of the Board of Directors and succession policy of the Company;
- Formulate the criteria for evaluating the performance of the Board of Directors;
- Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel (**'KMP'**) and Senior Management employees;
- Identifying individuals for appointment as KMP and other Senior Management positions, recommend to the Board their appointment and removal. The Committee may consider any recommendations made by the Board and/ or parent company in this regard;
- Specify the manner for effective evaluation of performance of Board, its Committees, individual Directors and review its implementation and compliance;
- Review the performance evaluation of the Directors, KMP and Senior Management Employees;
- Administration of the Employee Stock Option Schemes (ESOS), if any.

The composition of the N&RC as on December 31, 2021 and details of the Members participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the N&R Committee meetings held on				
		March 10, 2021	March 19, 2021	June 9, 2021	November 17, 2021	December 15, 2021
Mr Shailesh Haribhakti, Chairman	Non-Executive/ Independent	✓	✓	✓	✓	✓
Mr N S Sekhsaria	Non-Executive/ Non-Independent	✓	✓	✓	✓	✓
Mr Martin Kriegner	Non-Executive/ Non-Independent	✓	✓	✓	✓	✓
Mr Vinayak Chatterjee	Non-Executive/ Independent	✓	✓	✓	✓	✓

Mr Shailesh Haribhakti, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

Mr S K Roongta and Mr Sunil Mehta, Independent Directors, have been appointed as the members of the N&RC w.e.f. January 1, 2022, in line with the amended provisions of SEBI Listing regulations.

CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

The Company has always been conscious of its obligations *vis-à-vis* the communities it impacts and has been pursuing various CSR activities long before these were mandated by law. The CSR Committee was set up by the Board of Directors on February 7, 2013 to assist the Board in fulfilling its corporate social responsibility and to strive for overall sustainable development in the conduct of the Company's business. The Committee was renamed as the Corporate Social Responsibility & Sustainability Committee with effect from October 15, 2019 in accordance with the approval of the Board of Directors.

However, considering the fact that Enivronment, Social and Governance (ESG) aspect requires special attention and focus the CSR & Sustainability Committee was split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee by the Board of Directors of the Company with effect from January 1, 2022.

Committee is constituted in line with the provisions of Section 135 of the Act.

The terms of reference of the CSR Committee broadly includes the following:

- To review from time to time the CSR policy of the Company and to ensure that the CSR policy is in line with Schedule VII of the Companies Act, 2013 as amended from time to time;
- To review CSR projects with a view to ensure that they are in line with CSR objectives and CSR Policy of the Company;
- To ensure that the Company's overall business strategy reflects its long-term objectives on corporate social responsibility;
- To consider and advise the Board and the Management on various CSR projects to be implemented by the Company either directly or through the "ACC TRUST" of which the Company is the Settlor, established for this purpose in furtherance of its social obligations;
- To review the annual CSR budget and recommend to the Board the amount of expenditure to be incurred on various

CSR programmes/ activities either directly or through the "ACC TRUST" or any other trusts;

- To oversee impact assessment of CSR projects of the Company;
- To advise the Board on significant stakeholder concerns relating to CSR;
- To review and recommend to the Board for its approval any other reporting on CSR;
- Such other related matters which the Committee may deem appropriate, required by law or assigned to the Committee by the Board of Directors from time to time.

The Committee's scope will encompass Company policies and performance related to CSR as described above. The Committee shall review the Company's objectives, plans and performance and recommend actions, as necessary, to ensure continuous performance improvement and alignment with the expectations of stakeholders (both internal and external).

The composition of the CSR Committee as on December 31, 2021 and details of the members' participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the CSR & Sustainability Committee meetings held on March 26, 2021	August 6, 2021	December 14, 2021
Mr Shailesh Haribhakti, Chairman	Non-Executive/ Independent	✓	✓	✓
Ms Falguni Nayar	Non-Executive/ Independent	✓	✓	LOA
Mr Neeraj Akhoury	Non-Executive/ Non-Independent	✓	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓	✓

LOA – Leave of Absence

Mr Shailesh Haribhakti, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

The Company's CSR Policy is comprehensive and is in alignment with the requirements of the Act and the United Nations Sustainable Development Goals. The Policy can be accessed at the Company's website at https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf and the CSR Report forms an integral part of the Board's Report.

RISK MANAGEMENT COMMITTEE ('RMC')

The Company has constituted the above Committee in line with the SEBI Listing Regulations as it is in the list of top 1,000 Companies in the country based on its market capitalisation for the immediately preceding financial year.

The RMC was constituted by the Board of Directors in the year 2014. The Members of the Committee are drawn from the Members of the Board. The majority of the Committee members include Independent Directors.

Business Risk Evaluation and Management is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks as also to identify business opportunities.

The Committee is governed by a charter and its terms of reference comprises the following:

- Developing Risk Management Policy and Risk Management system framework for the Company;
- Overseeing key risks including identification, assessment, monitoring, and mitigation and reporting of various risks including strategic, financial, operation and compliance risks;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Assist the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the Risk Policy;
- The Committee shall review the adequacy of Risk Management Process applied by the management;
- The role and responsibilities of the Committee shall include such other items as may be applicable under the relevant Regulations and/or included within the scope by the Board.

The composition of the RMC as on December 31, 2021 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Risk Management Committee meetings held on July 16, 2021	December 14, 2021
Ms Falguni Nayar, Chairperson	Non-Executive/ Independent	✓	✓
Mr Shailesh Haribhakti	Non-Executive/ Independent	✓	✓
Mr S K Roongta	Non-Executive/ Independent	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓

Ms Falguni Nayar, Chairperson of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

Mr D Sundaram, Independent Director, has been appointed as a member of the Risk Management Committee w.e.f. January 1, 2022.

COMPLIANCE COMMITTEE

Recognising the importance of the Company to be compliant with various laws and regulations which impacts its business, the Board of Directors constituted the Compliance Committee in 2008. The Compliance Committee plays an important role in building a regime of 'zero tolerance' to any form of non-compliance, which is a pre-requisite for a robust governance mechanism.

The terms of reference of the Committee broadly comprises:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the courts of law that may significantly affect the interests of the Company;
- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing compliance with all applicable statutes, rules and regulations based on reports received from the MD & CEO, ExCo members and the Chief Legal Officer & Company Secretary and to recommend corrective actions, if any, where required;
- reviewing significant legal cases filed by and against the Company to determine *inter alia*, the probability of liabilities arising therefrom which are of a contingent nature.

The composition of the Compliance Committee as on December 31, 2021 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Compliance Committee meetings held on February 10, 2021	April 16, 2021	July 16, 2021	October 18, 2021
Mr S K Roongta, Chairman	Non-Executive/ Independent	✓	✓	✓	✓
Mr Shailesh Haribhakti	Non-Executive/ Independent	✓	✓	✓	✓
Mr D Sundaram	Non-Executive/ Independent	✓	✓	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓	✓	✓

Mr S K Roongta, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

SUBSIDIARY COMPANIES

The Company does not have any 'material subsidiary' as defined in the SEBI Listing Regulations.

Accordingly, the requirement of appointing an Independent Director of the Company on the Board of Directors of the material unlisted subsidiary company as Regulation 24 of the SEBI Listing Regulations does not apply.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any is placed before the Board for review. Copies of Minutes of the Board and Committee Meeting(s) of the Subsidiary Companies are placed at the Board Meeting of the Company.

The Audited Annual Financial Statements and the Unaudited Quarterly Financial Results, along with the Auditors Limited Review thereon of Subsidiary Companies are presented at the meetings of the Audit Committee and Board of Directors of the Company for an overview prior to their consolidation with the Parent Company.

The Company does not have a material subsidiary and the requirement of secretarial audit as specified in Regulation 24A of the SEBI Listing Regulations is not applicable. However, pursuant to the requirements of Section 204 of the Act, its subsidiary, ACC Mineral Resources Limited is subjected to a Secretarial Audit. Secretarial Audit was conducted for the year ended December 31, 2021 and no adverse remarks have been made by the Secretarial Auditors in their Report.

The Company's policy on material subsidiary is available on the Company's website and can be assessed through the weblink at https://www.acclimited.com/assets/new/pdf/CG/Policy-for-determining-material-subsidiary.pdf

DISCLOSURES

Compliance with Regulations 17 to 27 & Regulation 46 of SEBI Listing Regulations

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under Regulations 17 to 27 and sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

Particulars	Numbers
a) Number of complaints at the beginning of the financial year	1
b) Number of complaints filed during the financial year	0
c) Number of complaints disposed of during the financial year	1
d) Number of complaints pending as on end of the financial year	0

Disclosure of Non-Compliance of any Requirement of Corporate Governance Report, with Reasons
The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.

Indian Accounting Standards (Ind AS)
The Company has prepared its Standalone and Consolidated Financial Statements in accordance with Indian Accounting Standards as notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

FEES PAID TO STATUTORY AUDITORS

For the year ended December 31, 2021, the Company and its subsidiaries have paid a consolidated sum of ₹3.37 Crore to the statutory auditor and all its entities.

(₹ Crore)

Particulars	By Company	By Subsidiary	Total
Statutory Audit fees including fees for tax accounts	2.13	0.06	2.19
Limited Reviews	1.05	0.06	1.11
Reimbursement of Expenses & Other Services	0.07	-	0.07
Total	**3.25**	**0.12**	**3.37**

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company during the year with related parties were in the ordinary course of business and on arm's length pricing basis and were approved by the Audit Committee. These transactions are also subject to review by an external independent agency. The policy on related party transactions has been placed on the Company's website and can be accessed at https://acclimited.com/assets/new/pdf/CG/Related-Party-Transactions-Policy-20210824.pdf In line with the amended SEBI Listing Regulations, the policy has been amended suitably.

There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company. Where any material related party transaction is proposed, approval of the shareholders is obtained. No related party whether or not it is a party to the particular transaction or not is allowed to vote to approve the transaction in line with the SEBI Listing Regulations.

NON-COMPLIANCES/ STRICTURES AND PENALTIES IMPOSED

There has been no instance of non-compliance by the Company on any matter related to capital markets and no strictures or penalties have been imposed on the Company by the Stock Exchanges or by the SEBI or by any statutory authority on any matters related to capital markets during the last three (3) years.

VIGIL MECHANISM/ WHISTLE-BLOWER POLICY

The Company is committed to the high standards of corporate governance and stakeholder responsibility.

The Company has an 'EthicalView Reporting' (**'EVR'**) Policy to deal with instances of fraud and mismanagement, if any. The EVR Policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no discrimination is meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline 'ACC Ethics Helpline' has been set-up, which is managed by an independent professional organisation. The Ethics Helpline can be contacted to report on any suspected or confirmed incident of fraud/misconduct on:

- E-mail: acc@ethicalview.com
- Online reporting on https://integrity.lafargeholcim.com/
- National Toll-free Number: 18002092008
- Fax Number: +91 (22) 66459575
- Address: P.O. Box No. 137, Pune – 411 001

EthicalView Committee consisting of Senior Employees headed by Chief Legal Officer & Company Secretary has been constituted which investigates the complaints raised and recommends appropriate action where necessary. The Committee reports to the Audit Committee which in turn apprises the Board on such matters as necessary. No personnel have been denied access to the Audit Committee.

The scope of vigil mechanism has been extended during the year to enable reporting if any, on leakage of Unpublished Price Sensitive Information relating to the Company.

The EthicalView Reporting Policy is available on the Company's website and can be accessed on weblink at https://www.acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf

Compliance with non-mandatory provisions
The status with regard to compliance by the Company with discretionary requirements as listed out in Part E of Schedule II of the SEBI Listing Regulations is as under:

- The Chairman's office is separate from that of the MD & CEO and that Company has not reimbursed the expenses incurred by him in performance of his duties
- The audit report of the Company's Financial Statements for the year ended December 31, 2021 is unmodified
- The Chief Internal Auditor reports directly to the Audit Committee
- The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading 'Means of Communication'

CREDIT RATING

The Company has not issued any debt instruments which necessitates any credit rating. However, CRISIL has rated the Company as CRISIL AAA/Stable for Fund-based Working Capital Facilities and CRISIL A1+ for Non-fund based Working Capital Facilities. The same can be accessed at www. acclimited.com/investor-relations/credit-rating

LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place an on-line legal compliance management tool, which has been devised to ensure compliance with all applicable laws that impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The application of the tool has been extended to cover all plant locations, RMX facilities, sales and corporate offices.

The Compliance Committee is informed about the progress and the status of legal compliances through this tool.

CONFIRMATION BY THE BOARD OF DIRECTORS' ACCEPTANCE OF RECOMMENDATION OF MANDATORY/ NON-MANDATORY COMMITTEES

The Board of Directors have confirmed that during the year, it has accepted the recommendations received from its mandatory/ non-mandatory Committees. None of the recommendations made by any of the Committees has been rejected by the Board.

CODE OF BUSINESS CONDUCT

The Board of Directors has approved a Code of Business Conduct (**'Code'**), which is applicable to the members of the Board and to all employees. The Company follows a policy of 'Zero Tolerance' to bribery and corruption in any form and the Board has laid down the Anti-Bribery & Corruption Directive, which forms an Appendix to the above Code. The code has been posted on the Company's website at www. acclimited. com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity of the workplace, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Management staff are required to complete an e-learning module on the above subject, in addition to the undergoing training conducted by the compliance team of the Company from time to time.

FAIR COMPETITION DIRECTIVE PROGRAMME

Fair Competition Directive Programme which was earlier known as Value Creation in Competitive Environment (VCCE) was introduced in the Company as early as 2008 and the Company has been carrying out training sessions for creating awareness among relevant employees on fair competitive practices.

Under these programmes, training sessions are conducted on an annual basis for the concerned employees of the Company, particularly those in sales and purchase functions, on various aspects of competition law and on behavioural aspects for ensuring fair competition in the marketplace. E-learning training is imparted to all such employees in addition to face-to-face training and a specific module on 'Do's and Don'ts' in a tender bidding process.

In addition to the above, the processes of the Company are subject to periodic reviews and where required, are being further strengthened.

PREVENTION OF INSIDER TRADING

Pursuant to the SEBI Listing Regulations, the Company has formulated the 'Code of Conduct for Prevention of Insider Trading' and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (**'ACC Code'**), which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of the Company's shares by the Directors and their immediate relatives, designated persons and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. The codes have been revised in line with the amendments to the SEBI Prohibition of Insider Trading Regulations, as amended from time to time.

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations.

A structured digital database is being maintained by the Company, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the Prohibition of Insider Trading Regulations.

The Board of Directors have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations.

The Chief Legal Officer & Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the codes for fair disclosure and conduct.

The Board of Directors, designated persons and other connected persons have affirmed compliance with the ACC Code.

The Company's Whistle-Blower Policy (Vigil Mechanism) has also been amended to make employees aware of the existence of policies and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information to enable them to report on leakages, if any, of such information.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Mr Umashankar Hegde of U. Hegde & Associates, Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory Authority. The certificate is enclosed with this section as **Annexure 1**.

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within forty-five (45) days of the close of the quarter. The audited annual results are announced within sixty (60) days from the close of the financial year, as required under the SEBI Listing Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty (30) minutes from the close of the Board meetings at which these are considered and approved. The results are published in leading English daily newspapers having nation-wide circulation and the Marathi translation of the same is published in leading Marathi daily newspapers.

The audited financial statements form a part of the Annual Report, which is sent to the members within the statutory period and in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/ half-yearly and the annual audited financial statements and the press releases of the Company are also placed on the Company's website at https:/www.acclimited.com/ and can be downloaded.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company discloses to the Stock Exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations, including material information which have a bearing on the performance/ operations of the Company or which is price sensitive in nature. All information is filed electronically on BSE Limited's (BSE) on-line portal, BSE Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of The National Stock Exchange of India Limited (NSE).

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. An internal management Committee comprising the MD & CEO, the CFO and the Chief Legal Officer & Company Secretary has been constituted and empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The policy for determining materiality of events has been placed on the Company's website and can be accessed at https://www.acclimited.com/assets/new/new_pdf/Policy-for-Dissemination-of-Information-and-Determining-Information-Events-for-reporting-to-the-Stock-Exchanges.pdf

Disclosures made to the Stock Exchanges are also made available on the Company's website under the heading 'Announcements' and can be accessed through weblink at https://www.acclimited.com/

Facility has been provided by SEBI for investors to place their complaints/ grievances on a centralised web-based complaints redress system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaints and their current status.

A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends and details of shares transferred to Investor Education & Protection Fund Authority, Ministry of Corporate Affairs.

Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Corporate Governance Section on the Company's website.

The Company also uploads on the BSE Listing Centre and on NSE's NEAPS portal, details of analysts and institutional investor meetings, which are either held by the Company or in which the Company participates.

Reminders to shareholders are sent for enabling them to claim returned undelivered share certificates, unclaimed dividend, among others.

GENERAL INFORMATION TO SHAREHOLDERS

Annual General Meeting

- Date: Thursday, April 21, 2022
- Time: 3.00 p.m.
- Mode: Video conference and other audio-visual means
- Venue: Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (Registered Office)
- Financial Year: January-December 2021
- Dividend Payment Date: On or after April 27, 2022

Investor services

With effect from September 16, 2019, with the approval of the Board of Directors, KFin Technologies Private Limited have been appointed as the Registrar and Share Transfer Agents (**'RTA'** or **'KFintech'**). Advance intimation to this effect was provided to the stock exchanges and the investors through notices issued in leading newspapers.

In consequence of the above, the Company's In-house Share Department has been dismantled with effect from the above date. All share related services to the Company's investors with effect from September 16, 2019 are being provided by KFintech.

Address for correspondence with the RTA and Company

KFIN Technologies Private Limited,
Selenium Building, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Gachibowli, Hyderabad – 500 032, Telangana.

ACC Limited, Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

Communication to Members

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The aforesaid communication is also intimated to the stock exchanges and available on the website of the Company. Attention of the Members holding shares of the Company in physical form is invited to go through the said important communication under the web link at https://acclimited.com/newsite/pdf/Communication-to-the-Shareholders-holding-shares-in-Physical-Form.pdf

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the link at https://acclimited.com/assets/new/pdf/IEPF_Dividend/Form-ISR-4.pdf

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

SMS reach outs

During the financial year under review, the Company partnered with NSDL for reaching out to its Shareholders through SMS, to register for e-communications by updating their e-mail Ids directly with the depositories through a secured one-time password based facility.

Plant locations

The locations of the Company's plants are given on the inside cover page of the Annual Report. The details of the plants, along with their addresses and telephone numbers are also available on the Company's website.

MARKET INFORMATION

Listing on Stock Exchanges

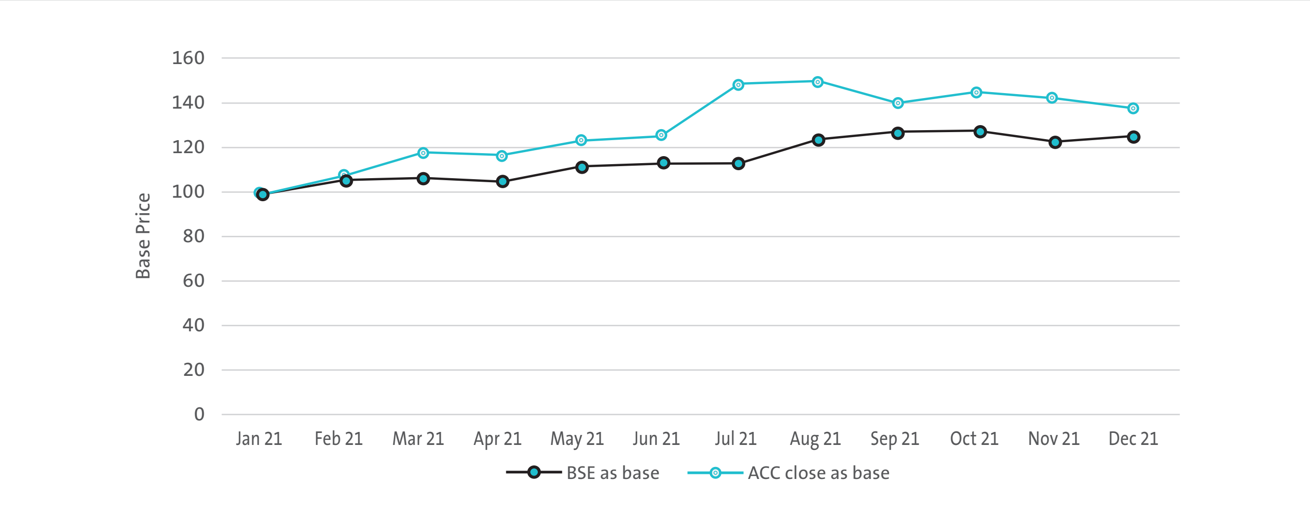
The Company's shares are listed on the following stock exchanges and the listing fees have been duly paid to the exchanges:

Name & Address of stock exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/ CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500410	INE012A01025
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	ACC	

ACC Share Price on BSE *vis-à-vis* BSE Sensex January-December 2021

Months	BSE Sensex Close	ACC Share Price			No. of shares traded during the month	Turnover (₹ Crore)
		High ₹	Low ₹	Close ₹		
Jan-21	46,285.77	1,813.40	1,594.25	1,604.80	8,77,778	149.46
Feb-21	49,099.99	1,850.00	1,584.35	1,732.95	1,174,658	206.94
Mar-21	49,509.15	1,924.50	1,690.85	1,902.55	8,11,023	148.12
Apr-21	48,782.36	2,022.75	1,784.15	1,882.3	9,02,743	169.78
May-21	51,937.44	2,039.25	1,852.85	1,985.95	4,39,471	85.44
Jun-21	52,482.71	2,078.50	1,960.30	2,016.05	5,57,434	113.55
Jul-21	52,586.84	2,414.85	1,975.00	2,393.15	9,26,697	207.7
Aug-21	57,552.39	2,456.40	2,231.35	2,413.05	4,26,789	100.56
Sep-21	59,126.36	2,506.35	2,245.65	2,254.5	4,43,930	105.94
Oct-21	59,306.93	2,360.00	2,141.75	2,333.5	6,69,992	151.76
Nov-21	57,064.87	2,587.95	2,240.05	2,288.05	2,97,900	72.52
Dec-21	58,253.82	2,339.20	2,086.25	2,217.40	2,98,417	65.54

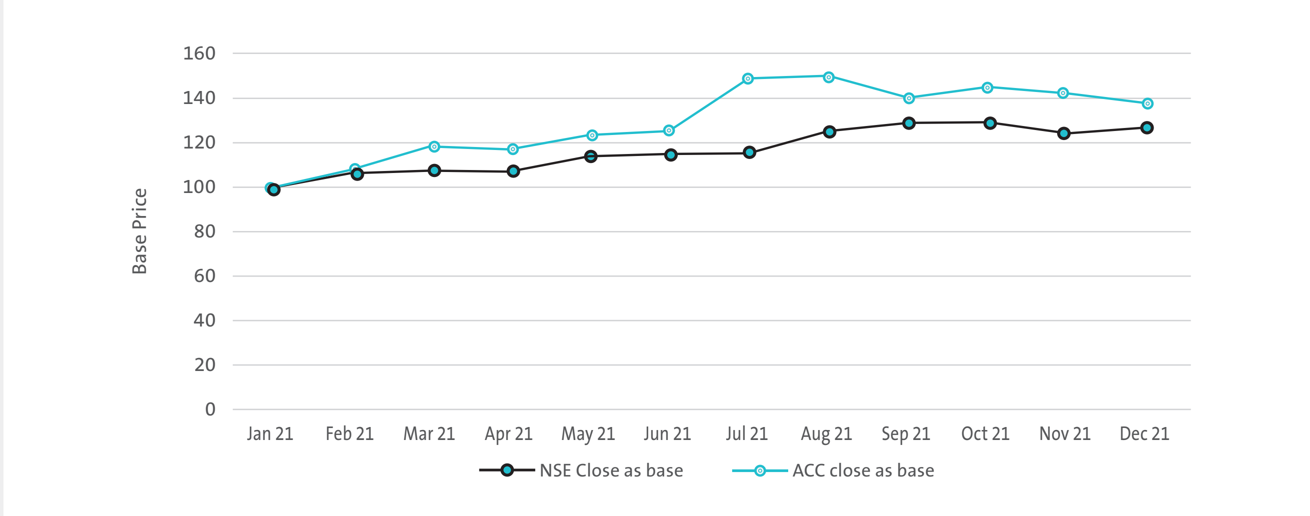
ACC Share Price on BSE and BSE Sensex Trend (Base Price basis)



ACC Share Price on NSE *vis-à-vis* S&P CNX Nifty January-December 2021

Month	S & P CNX Nifty Close	ACC Share Price			No. of shares traded during the month	Turnover (₹ Crore)
		High ₹	Low ₹	Close ₹		
Jan-21	13,634.60	1,814.00	1,593.40	1,603.85	2,41,15,000	4,113.43
Feb-21	14,529.15	1,847.00	1,584.20	1,733.20	2,51,90,000	4,452.04
Mar-21	14,690.70	1,925.00	1,692.00	1,903.25	2,41,43,000	4,413.24
Apr-21	14,631.10	2,022.85	1,782.25	1,882.75	2,40,92,000	4,545.43
May-21	15,582.80	2,040.00	1,853.20	1,986.05	1,27,71,000	2,479.99
Jun-21	15,721.50	2,078.00	1,959.75	2,014.80	81,38,000	1,652.58
Jul-21	15,763.05	2,415.00	1,975.00	2,394.10	2,09,06,000	4,678.15
Aug-21	17,132.20	2,454.95	2,230.55	2,413.20	97,49,000	2,278.27
Sep-21	17,618.15	2,509.00	2,245.10	2,254.50	76,49,000	1,825.94
Oct-21	17,671.65	2,364.00	2,142.05	2,333.40	1,36,65,000	3,111.75
Nov-21	16,983.20	2,589.00	2,240.00	2,286.40	69,94,000	1,706.46
Dec-21	17,354.05	2,340.85	2,087.80	2,215.75	72,94,000	1,623.18

ACC Share Price on NSE and CNX Nifty Trend (Base Price basis)



SHARE TRANSFER SYSTEM/ DIVIDEND AND OTHER RELATED MATTERS

Nomination facility for shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website through the weblink at https://acclimited.com/assets/new/pdf/IEPF_Dividend/Form-SH13-Nomination-Form.pdf

Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

Permanent Account Number

Members who hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish PAN vide Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021.

Subdivision of shares

The Company subdivided the face value of its equity shares from ₹100 to ₹10 in 1999. Shares having the face value of ₹100 are no longer traded on the stock exchanges. The members still holding share certificates of ₹100 are requested to contact the RTA for obtaining subdivided shares.

Dividend

Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. The SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode.

Members who hold shares in demat mode should inform their depository participant, whereas members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

Unclaimed dividends

The Company is required to transfer dividends, which have remained unpaid/ unclaimed for a period of seven (7) years from the date the dividend is due for payment to the Investor Education & Protection Fund (**'IEPF'**) established by the Government. Accordingly, during the financial year 2022, unclaimed dividends pertaining to the following periods will be transferred to IEPF:

- 77th final dividend for the year ended December 31, 2014
- 78th interim dividend for the year ended December 31, 2015

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The information on unclaimed dividend is also posted on the Company's website at www.acclimited.com

The dates by which the dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per share (₹)	Date for transfer to IEPF
December 31, 2014 (77th Final)	March 20, 2015	19.00	May 24, 2022
December 31, 2015 (78th Interim)	July 17, 2015	11.00	September 20, 2022
December 31, 2015 (78th Final)	April 13, 2016	06.00	June 17, 2023
December 31, 2016 (79th Interim)	July 26, 2016	11.00	September 29, 2023
December 31, 2016 (79th Final)	March 29, 2017	06.00	June 2, 2024
December 31, 2017 (80th Interim)	July 17, 2017	11.00	September 21, 2024
December 31, 2017 (80th Final)	June 13, 2018	15.00	August 18, 2025
December 31, 2018 (81st Final)	March 22, 2019	14.00	May 27, 2026
December 31, 2019 (82nd Interim)	May 12, 2020	14.00	July 17, 2027
December 31, 2020 (83rd Final)	April 7, 2021	14.00	June 13, 2028

Transfer of shares into IEPF (in cases where dividend has not been paid or claimed for seven consecutive years or more)
In terms of Section 124(6) of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/ unclaimed for a period of seven (7) consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, during the year the Company has transferred 99,943 and 32,049 shares on July 3, 2021 and October 7, 2021 respectively to the IEPF.

Guidelines for Investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF
Investors/ depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/ or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/ guidelines stated as follows:

1. Login to website of MCA at https://www.mca.gov.in/content/mca/global/en/home.html and click on 'Investor Relations' tab under 'MCA Services' section for filing the web-based form IEPF-5 for the refund of dividend/ shares. Read the instructions provided on the website/ instruction kit carefully before filling the form.

2. Submit the duly filled form by following the instructions given on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

3. Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.

4. Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of the Form, along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked 'Claim for refund from IEPF Authority/ Claim for shares from IEPF' as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

5. Form IEPF-5 completed in all respects will be verified by the Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhaar-linked bank account through electronic transfer and/ or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr Rajiv Choubey, Chief Legal Officer & Company Secretary and the Deputy Nodal Officer is Ms Pooja Bhanushali whose e-mail id is HSSA-CompanySecretarial-Team@acclimited.com

Dealing with securities which have remained unclaimed
Regulation 39(4) of the SEBI Listing Regulations read with Schedule VI 'Manner of dealing with Unclaimed Shares', had directed Companies to dematerialise such shares, which have been returned as 'undelivered' by the postal authorities and hold these shares in an 'Unclaimed Suspense Account' to be opened with either one of the Depositories viz. National Securities Depository Limited (**'NSDL'**) or Central Depository Services (India) Limited (**'CDSL'**).

All corporate benefits on such shares viz. bonus, etc. shall be credited to the unclaimed suspense account as applicable for a period of seven (7) years and thereafter it will be transferred to IEPF in accordance with the provisions of IEPF Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

UNCLAIMED SUSPENSE ACCOUNT

The details of operations of the demat 'Unclaimed Suspense Account' of ACC Limited during the year are as under:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on January 1, 2021	519	63,315
Number of shareholders/ legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	1	80
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	86	6,869
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on December 31, 2021	432	*56,366

*Voting Rights in respect of the aforesaid 56,366 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names.

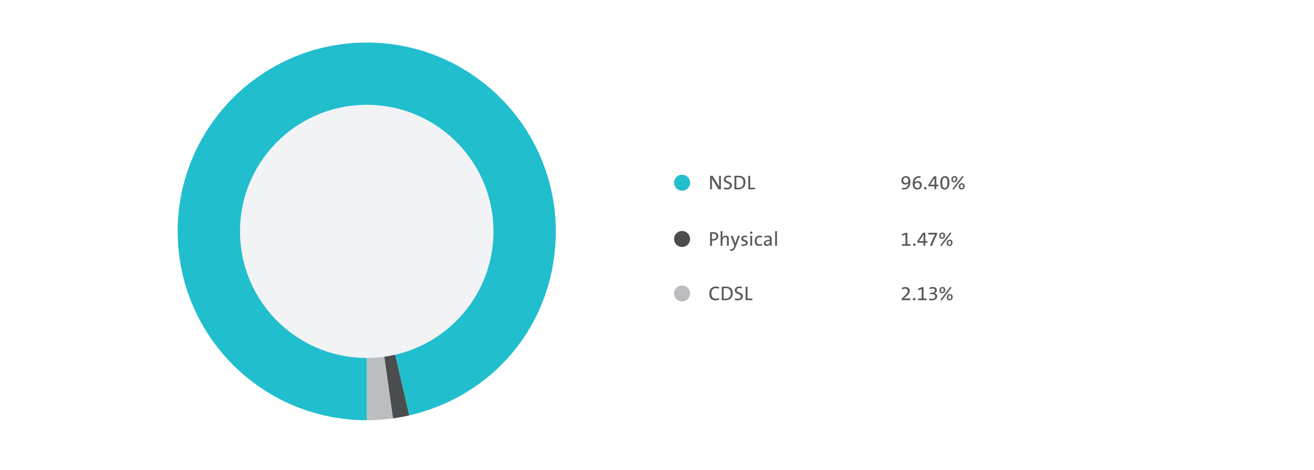
Pending investors' grievances
Any Member whose grievance has not been resolved satisfactorily by the RTA, may kindly write to the Chief Legal Officer & Company Secretary at the Registered Office with a copy of the earlier correspondence, if any or through e-mail ID of the Company at ACC-InvestorSupport@acclimited.com

Reconciliation of share capital audit
As required by the SEBI Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and the NSE and is also placed before the SRC and Board of Directors.

Distribution of shareholding as on December 31, 2021

No. of shares Slab	No. of shareholders	Percentage	Number of Shares							Percentage of share capital (%)
			Physical	Percentage of share capital (%)	NSDL	Percentage of share capital (%)	CDSL	Percentage of share capital (%)	Total Number of Shares	
1 – 51	89,828	70.75	1,24,066	0.07	7,20,140	0.38	4,27,926	0.23	12,72,132	0.68
51 – 100	12,732	10.03	1,30,570	0.07	6,56,330	0.35	2,56,964	0.14	10,43,864	0.56
101 – 200	8,870	6.99	2,01,485	0.11	8,43,313	0.45	2,87,232	0.15	13,32,030	0.71
201 – 500	7,725	6.08	3,86,545	0.21	17,08,912	0.91	4,59,685	0.24	25,55,142	1.36
501 – 1000	3,699	2.91	3,51,562	0.19	18,64,848	0.99	4,74,934	0.25	26,91,344	1.43
1001 – 5000	3,192	2.51	7,68,291	0.41	47,63,440	2.54	9,66,226	0.51	64,97,957	3.46
5001 – 1000	392	0.31	2,07,207	0.11	22,22,455	1.18	3,19,062	0.17	27,48,724	1.46
10001 and above	524	0.41	5,90,860	0.31	16,82,43,933	89.59	8,11,277	0.43	16,96,46,070	90.34
TOTAL	1,26,962	100.00	27,60,586	1.47	18,10,23,371	96.40	40,03,306	2.13	18,77,87,263	100.00

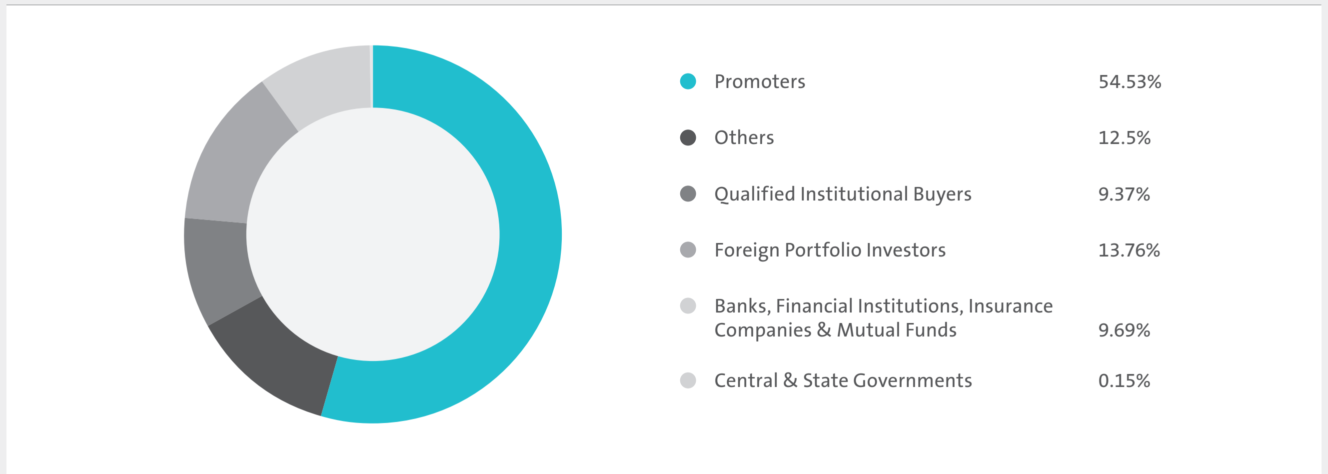
Distribution of Shareholding as on December 31, 2021



Shareholding pattern as on December 31, 2021

Category	Number of shares held	Percentage	
Promoter:			
Ambuja Cements Limited	9,39,84,120	50.05	54.53
Holderind Investments Limited	84,11,000	4.48	
Public:			
Banks/ Financial Institutions	15,76,861	0.84	9.69
Insurance Companies	500	0.00	
Mutual Funds	1,66,26,031	8.85	
Central & State Governments	2,87,815	0.15	
Foreign Portfolio Investors	2,58,45,640	13.76	
Qualified Institutional Buyers	1,75,88,607	9.37	
Directors	0	0.00	
Others	2,34,66,689	12.50	
Total	**18,77,87,263**	**100.00**	

Percentage Holding as on December 31, 2021



Statement showing shareholding of more than 1% of the capital as on December 31, 2021

Sl. No.	Name of the shareholders	Number of shares	Percentage of Share Capital (%)
1.	Ambuja Cements Limited	9,39,84,120	50.05
2.	Holderind Investments Limited	84,11,000	4.48
3.	Life Insurance Corporation of India	1,08,27,402	5.77
4.	Franklin India Bluechip Fund	28,50,000	1.52
5.	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Equity Fund	19,55,538	1.04
6.	Tata Infrastructure Fund	23,14,144	1.23
8.	DSP Equity Savings Fund	21,54,391	1.15
9.	NPS Trust – A/c SBI Pension Fund Scheme – Central Government	30,45,461	1.62
	Total	**12,55,42,056**	**66.86**

Global Depository Receipts (GDR) or any convertible instrument, conversion dates and likely impact on equity: NIL

Commodity price risk or foreign exchange risk and hedging activities

For details on Commodity price risk, please refer to Page 264. The Company has Fx exposure for both revenue and capex items. However, the Company has in place a Board-approved Fx Hedging Policy to deal with such exposures.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NIL

Particulars of past three (3) Annual General Meetings

AGM	Financial Year	Venue	Mode	Day, Date	Time (IST)	Special Resolutions passed
85th	Calender Year 2020	Cement House, 121, Maharshi Karve Road, Mumbai – 400 020	Video conference and other audio-visual means	Wednesday, April 7, 2021	3:00 p.m.	No Special Resolution was passed
84th	Calendar Year 2019	Cement House, 121, Maharshi Karve Road, Mumbai – 400 020	Video conference and other audio-visual means	Monday, July 6, 2020	2:30 p.m.	No Special Resolution was passed
83rd	Calendar Year 2018	Pama Thadani Auditorium Jai Hind College, "A" Road Churchgate (West) Mumbai – 400 020	Physical	Friday, March 22, 2019	3.00 p.m.	Re-appointment of Independent Directors for a second term of five (5) consecutive years commencing from the dates on which their present appointment with the Company expires

Extraordinary General Meeting ('EGM')

No EGM was held during the period under reference.

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern: NIL

Financial Calendar 2022

Board meeting for consideration of accounts for the Financial Year ended December 31, 2021 and recommendation of dividend	Wednesday, February 9, 2022
Sending of Annual Reports	On or before Saturday, March 26, 2022
Cut-off Date (for e-voting)	Thursday, April 14, 2022
Record Date (for dividend)	Tuesday, April 5, 2022
Date, Time and Venue of the 86th Annual General Meeting	Thursday, April 21, 2022 at 3.00 p.m. Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (Registered Office)
Dividend Payment Date	On or after Wednesday, April 27, 2022*
Probable date of despatch of warrants	On or after Wednesday, April 27, 2022*
Board meeting for consideration of unaudited quarterly results for the financial year ended December 31, 2022	Within forty-five (45) days from the end of the quarter, as stipulated under the SEBI Listing Regulations
Audited Results for the current financial year ending December 31, 2022	Within sixty (60) days from the end of the Financial Year, as stipulated under the SEBI Listing Regulations

* The Company shall ensure the payment of Dividend within 30 days from the date of declaration of the dividend at the AGM.

The Board in its Meeting held on February 9, 2022 has approved the Report on Corporate Governance for the Financial Year 2021.

For and on behalf of the Board

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

Compliance with Code of Conduct

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended December 31, 2021.

For ACC Limited

Sridhar Balakrishnan
Managing Director & Chief Executive Officer

Mumbai
February 9, 2022

Managing Director & Chief Executive Officer and Chief Financial Officer Certification

We the undersigned, in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of ACC Limited (**"the Company"**) to the best of our knowledge and belief certify that:

a) We have reviewed Financial Statements and Cash Flow Statement for the year ended **December 31, 2021** and based on our knowledge and belief, we state that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the quarter, which are fraudulent, illegal or violative of the Company's Code of Business Conduct.

c) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

d) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company. We are not aware of deficiencies in the design or operation of such internal controls, and accordingly have not communicated any such matters to the Auditors and the Audit Committee.

e) We have indicated, based in our most recent evaluation, to the Auditors and the Audit Committee:

   (a) significant changes, if any in internal control over financial reporting during the year ended December 31, 2021;

   (b) significant changes, if any in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements;

   (c) instances of significant fraud of which we have become aware and the involvement therein, if any of the Management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully,

Sridhar Balakrishnan
Managing Director & CEO

Yatin Malhotra
Chief Financial Officer

Mumbai
February 1, 2022

ANNEXURE 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
ACC Limited
Cement House, 121,
Maharshi Karve Road, Mumbai – 400 020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ACC Limited having CIN L26940MH1936PLC002515** and having registered office at Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time).

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal at www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on December 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr Narotam Satyanarayan Sekhsaria	00276351	27/12/1999
2.	Mr Sridhar Balakrishnan	08699523	20/02/2020
3.	Mr Jan Jenisch	07957196	17/10/2017
4.	Mr Neeraj Akhoury	07419090	16/12/2016
5.	Mr Martin Kriegner	00077715	11/02/2016
6.	Mr Mangalam Ramasubramanian Kumar	03628755	19/10/2020
7.	Mr Shailesh Vishnubhai Haribhakti	00007347	17/02/2006
8.	Mr Sushil Kumar Roongta	00309302	03/02/2011
9.	Ms Falguni Sanjay Nayar	00003633	24/04/2014
10.	Mr Damodarannair Sundaram	00016304	22/03/2019
11.	Mr Vinayak Chatterjee	00008933	22/03/2019
12.	Mr Sunil Mehta	00065343	22/03/2019

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **U. HEGDE & ASSOCIATES,**
Company Secretaries

Umashankar K. Hegde
Proprietor
C.P. No. 11161 # M. No. ACS 22133
ICSI UDIN: A022133C002356861

Place: Mumbai
Date: January 31, 2022

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
ACC Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. SN/2021-22/09A dated April 12, 2021.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of ACC Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 22040081ABALPH9286)

Place: Mumbai
Date: February 9, 2022

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identification Number (CIN)** : L26940MH1936PLC002515
2. **Name of the Company** : ACC Limited
3. **Registered address** : Cement House 121, Maharshi Karve Road, Mumbai – 400 020
4. **Website** : www.acclimited.com
5. **E-mail ID** : brr.info@acclimited.com
6. **Financial year reported** : January 1, 2021 to December 31, 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Group	Class	Sub-class	Description
239	2394	23941 and 23942	Manufacture of clinker and cement

8. **List three key product/ services that the Company manufactures/ provides (as in balance sheet)**
The Company manufactures different varieties of cement viz., Ordinary Portland Cement (OPC), Portland Pozollana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement and Ready Mix Concrete (RMX).

9. **Total number of locations where business activity is undertaken by the Company**
   i. **Number of international locations** : Nil
   ii. **Number of national locations** : 17 Cement Plants, 78 Ready Mixed Concrete Plants and 26 offices, including Registered Office, Regional Offices and Sales Office
10. **Markets served by the Company** : Across all markets in India

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1. **Paid up capital (INR)** : ₹187.79 Crore
2. **Total turnover (INR)** : ₹15,814.40 Crore
3. **Total profit after taxes (INR)** : ₹1,820.27 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**
The Company's total spending on CSR is 2.03% of the average profit after taxes in the previous three (3) financial years.
5. **List of activities in which expenditure in 4 above has been incurred**

Sustainable Livelihood

a) **ACC DISHA:** for youth employability

b) **ACC Swavlamban:** focusing on women empowerment and livelihood

c) **ACC LEISA:** for farmer's livelihood – Low External Input for Sustainable Agriculture (LEISA)

Education

d) **ACC Vidya Utkarsh:** improving quality of education in government schools

e) **ACC Vidya Saarathi:** student scholarships

Water, Sanitation, Health & Hygiene (WASH)

f) **ACC Arogyam:** preventive, promotive and curative healthcare

g) **ACC Sampoorna Swachhata:** promoting personal hygiene, open defecation free environment and safe disposal of waste.

Conservation of Environment

h) **ACC Sanrakshit Paryavaran:** solar, biodiversity and soil & water conservation

Promoting Sports, Arts and Culture

i) **ACC Drona:** to promote rural sports and traditional Indian culture

SECTION C: OTHER DETAILS

1. **Does the Company have any subsidiary company/ companies?**
The Company has four (4) subsidiaries:
   - ACC Mineral Resources Limited
   - Bulk Cement Corporation (India) Limited
   - Lucky Minmat Limited
   - Singhania Minerals Private Limited

2. **Do the subsidiary company/ companies participate in the BR initiatives of the parent company, If yes, then indicate the number of such subsidiary company(s)?**
Business Responsibility initiatives of the Parent Company have been adopted by Bulk Cement Corporation (India) Limited. While Singhania Minerals Private Limited is operational, the remaining two (2) subsidiaries are inoperative.

3. **Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]**
Business associates of the Company have helped the Company in reaching people to continue relief work for people affected by COVID-19 pandemic.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. **Details of Director/ Directors responsible for BR**
Details of the Director/ Directors responsible for implementation of the BR policy/policies:

Director Identification Number (DIN): 08699523

Name: Mr Sridhar Balakrishnan

Designation: Managing Director and Chief Executive Officer

Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	08699523
2.	Name	Mr Sridhar Balakrishnan
3.	Designation	Managing Director and Chief Executive Officer
4.	Telephone Number	(022) 4159 3321
5.	E-mail ID	brr.info@acclimited.com

Principle-wise (as per NVGs) BR policy/ policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Businesses should conduct and govern themselves with ethics, transparency and accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the well-being of all employees.

P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect and make efforts to restore the environment.

P7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	Business ethics P1	Product responsibility P2	Well-being of employees P3	Stakeholder engagement and CSR P4	Human rights P5	Environment P6	Public policy P7	CSR P8	Customer relations P9
1.	Do you have a policy/ policies for...	Y	Y The policy is embedded in the Company's quality and environment policies, which *inter alia* relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct, HR Policies and other various HR practices	Y	N	Y	N
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	-	Y	-
3.	Does the policy conform to any national/ international standards? If yes, specify?	Y	Y Bureau of Indian Standards (BIS)	Y	Y This policy conforms to Guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-	Y This policy conforms to the Ministry of Environment, Forest and Climate Change (MoEF) guidelines of Corporate Environment Responsibility under EIA Notification 2006	-	Y Policy conforms to guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	-	N	Y	-	Y	-	Y	-
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y At Executive Committee Meetings	Y	Y	Y	Y	-	Y	-

Sl. No.	Questions	Business ethics P1	Product responsibility P2	Well-being of employees P3	Stakeholder engagement and CSR P4	Human rights P5	Environment P6	Public policy P7	CSR P8	Customer relations P9
6.	Indicate the link for the policy to be viewed online?	*	-	-	***	-	**	-	***	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	Y	-	Y	-
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	The Company has a redressal mechanism to address product related complaints i.e. customer complaint portal	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y The implementation of the policy is subject to an Independent Audit by the Statutory Auditors and also has an oversight mechanism from the Parent Company	-	N	Y	Y	Y	-	Y	-

* www.acclimited.com

** https://acclimited.com/assets/new/new_pdf/Corporate_Environment_Policy.pdf

*** https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf

2(a). If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	The Company has a track record of pioneering achievements, long experience and leadership position which has benefited the cement industry at large in initiating dialogue with Government. However, no need for a formal policy has been felt	-	The Company has a systematic process of assessing customer needs fulfilling them with innovative products and services. It also has customer complaint redressal system

3. **Governance related to BR**

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the business responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

3 to 6 months.

Does the Company publish a BR or Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?

Yes, the Company has been publishing its Sustainability Report annually since 2007 (www.acclimited.com/sustainable). Since the financial year ended December 2019, the sustainability disclosures became a part of the Integrated Annual Report and can be accessed at www.acclimited.com/investor-relations/financial-annual-results.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?

The Company considers Corporate Governance as an integral part of responsible management. The Company has a Code of Business Conduct (along with Anti-Bribery and Corruption Directive) and a vigil mechanism named as EthicalView Reporting Policy (**'EVRP'**) that has been approved by the Board of Directors. These are applicable to all Directors and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees. The Anti-Bribery and Corruption Directive and the EthicalView Reporting Policy also extend to the Company's business partners, including vendors/ service providers/ customers. The Company as part of JV compliance framework of the Holcim Group, has encouraged JV partners to adopt the best practices with respect to ethics, transparency and governance. The Code is available on the Company's website at: www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received 128 complaints under the EthicalView Reporting Policy, out of which 88 complaints were addressed and the balance 40 complaints are under various stages of investigation and completion. The update on EthicalView is presented to the Audit Committee, who in turn briefs to the Board.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to three (3) of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

i. **Blended cements:** Cements, where clinker, an intermediate product, is partially replaced by and blended with industrial wastes like fly ash and slag are called blended cements. Such replacement results in saving natural limestone as well as reduce CO_2 emissions. ACC manufactures three (3) types of blended cements i.e. Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cements. In 2021, out of the total cement produced, ~90% was blended cements.

ii. **Co-processing services:** For more than a decade now, the Company is on the forefront of providing waste management solutions to stakeholders, communities and industries. Under the brand name of 'Geocycle', the Company has provided a safe and sustainable solution for safe disposal of 0.8 Million Tonnes of waste in 2021, which otherwise would have been disposed of in landfills and dumpsites. Through the co-processing technology, the Company provides a 'Zero Landfill' solution that doesn't create any additional emission and in addition avoids soil contamination, water and air pollution coming from landfill sites, recovering energy and minerals from the waste materials.

Two (2) examples examples of projects/services rendered to different stakeholders in different regions

- Plastic Free Himalayas (Gagal)
  With growing tourism in the Himalayas especially in the famous hill stations like Shimla, Kangra and Kullu and Manali and the increased use of packaged food and beverages in these tourist destinations, the beautiful mountains are becoming dumping yards of plastic wastes. It is very difficult to establish public private partnership models for collection and transportation of plastic waste in these small districts.

  Geocycle through its end to end plastic waste management services through Extended Producer Responsibility (EPR) was able to support Himachal Pradesh Government in cleaning up the state. Geocycle established a mechanism for collection, transportation and co-processing of single use plastics in ACC's cement plant at Gagal. Through this initiative, Geocycle has cleaned up various districts in Himachal Pradesh namely Shimla, Bilaspur, Hamirpur, Kangra, Baddi and helped the beautiful state come a step closer to becoming plastic free.

- Leave Behind No Waste (#LbnW)
  ACC had partnered with the Board of Control for Cricket in India (BCCI) to take on the onus of collecting and managing waste, during the T20 series held in November 2021. ACC has encapsulated the entire idea through led by a digital film titled 'Leave behind No Waste' depicting the brand teaming up with its waste management arm, Geocycle to collect and co-process all the plastic waste which is left behind in the cricket stadium. The voice in the film has been lent by the renowned veteran actor and voice-over artist, Piyush Mishra.

  In the film, the cricket term of getting 'OUT' is used in juxtaposition with the plastic waste that does not get OUT easily from the environment. The brand then takes charge to throw out the single-use plastic from the stadium to be re-purposed and safely managed in its cement kiln. A challenging game environment has been created between ACC and plastic waste, where the former succeeds in stimulating a greener and smarter environment.

- Supporting Clean Bhopal Mission (Kymore)
  The city of Bhopal generates approximately 800 tonnes per day of municipal solid waste and it is expected that the generation will go up to 2,000 tonnes per day by 2035. Bhopal is one of the top 10 cities in the Swachh Survekshan 2021. Bhopal has taken many steps to manage its municipal solid waste effectively.

  ACC is helping the city of Bhopal manage its municipal solid waste by safely co-processing the segregated combustible waste generated from the municipal solid waste safely at its cement plant in Kymore, Katni. With this initiative, ACC supports the city's endeavour to become cleanest city in India by moving thousands of tonnes of wastes away from dumps and landfills; thereby cleaning the environment and improving the lives of millions of people.

iii. **ACC ECOPact (The Green Concrete):** ACC ECOPact is an IGBC certified green product and a Low CO_2 concrete with 30% minimum reduction in embodied carbon, designed for sustainable construction needs. CO_2 reduction ranges from 30% to 100%. This is one step forward to protect our environment and make it a better place to live for the upcoming generations. ECOPact makes a positive impact towards the environment every time we build something. Types: 1) ECOPact (30%-50% reduction in embodied carbon), 2) ECOPact Prime (50%-70% reduction in embodied carbon), 3) ECOPact Max (70%-90% reduction in embodied carbon) with reference OPC Mix.

iv. **Green Building Centres (GBCs):** This is an initiative to facilitate low-cost housing development in India, by promoting sustainable building materials, building techniques and locally trained workforce. Local entrepreneurs set up these centres by entering into a franchisee arrangement with ACC to make these sustainable products and services. The Green Building Centres have positively impacted the climate, water and nature as well as the communities at Large. The impact on the environment can be easily measured by reduction in CO_2 emission, fertile topsoil conservation and utilisation of waste materials. ACC has 94 GBCs operational on a PAN-India basis as at the end of December, 2021.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

i. **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain:**

Consumption per unit of production	Current year (January – December 2021)	Previous year (January – December 2020)
Electrical Energy (kWh/ Tonnes of cement)	78.55	80.65
Thermal Energy (K Cal/ kg of clinker)	743	742
CO_2 Emissions (kg CO_2/ Tonnes of cementitious material)	488	493

ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**
While the Company does not collect information from the customers on energy and water, it manufactures many sustainable products which helps the customers in reducing energy and water consumption during the use/construction phase. The Company's ACC Gold cement with water repellent property requires a comparatively lower water for curing post construction phase, which helps to conserve water. The Company's product such as Insulocrete is a thermal insulating concrete which helps maintain inner temperatures of buildings thereby reducing cooling/heating costs during the use phase of buildings. Some of the Company's concrete products like permacrete is a pervious concrete which allows easy percolation of water through it into the soil below, hence recharging ground water and avoiding wastage through storm water runoffs. The Company's concrete products like insulating concrete/ thermocrete and fly ash/ slag based Green Building Centre products will reduce energy intensity in the use phase of the built environment.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**
The Company seeks to engage in long-term relationships with the suppliers. It adheres to international standards such as ISO 14001 (Environment Management System) and ensures compliance to the local and national laws and regulations. The Company has a procedure in place for sustainable sourcing of energy, water and transportation. It is also increasing the usage of Alternate Fuel and Raw Materials (AFR) year-on-year to decrease dependency on traditional fuel, i.e. coal.

The Company has engaged Avetta, a leading global consultant in Supplier Qualification. As a result, it has qualified contractors into various counts related to sustainable procurement such as Health and Safety (H&S), Labour, Environment, Bribery and Corruption. The Company prefers to engage with Avetta certified suppliers and supplier performance is ascertained on a periodic basis. Avetta also covers the Company's primary road transporters operating from plants. Evaluation through Avetta encourages safe transportation in line with the Company's goal of ZERO HARM.

4. **Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**
The Company is currently working with ~2,100 Small and Medium-sized Enterprise (SME) and Micro, Small & Medium Enterprise (MSME) vendors across the country. The services taken from these vendors fall into categories like housekeeping, painting, catering, small repair works, technicians, welders, transportation and stationery, food and vegetable suppliers. Special consideration is always provided for these vendors in

terms payment for their goods and services made on priority. The vendors are trained on various aspects like safety inside and outside the plant. The employees of vendors also undergo periodic health checks. The Company has always worked on overall development of these vendors and support their employees in areas like education, employment etc. Some of these vendors have expanded their operations to other locations of the Company as well and indeed other corporate and social entities in the country.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%) Also, provide details thereof, in about 50 words or so.**
Cement manufacturing process does not generate any process-related wastes. However, there are ancillary activities like maintenance, housekeeping etc. that generate waste materials like oil-soaked cotton waste, steel scrap, used oil, used filter bags, electrical waste like used bulbs, batteries and others. Sometimes wastes like oil-soaked cotton, used oil, used filter bags are co-processed in the kilns (where the Company has permissions), remaining quantum of these waste and other wastes like electrical, electronic waste and steel scrap are sold to the authorised recyclers. For hazardous waste, the relevant returns are filed to the respective regulatory authorities from time to time. Apart from this, the Company also co-processes waste materials generated by other industries or municipalities (segregated municipal waste) and its kiln. In the year 2021, the Company has co-processed 0.51 Million Tonnes of waste materials in its cement kilns. It uses flyash, a waste from thermal power stations and slag, a waste from the steel industry as a substitution to coal/ pet coke in cement manufacturing.

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate total number of employees**

Sl. No.	Category of Employees	Number of Employees
1.	Management staff	3,647
2.	Shop floor associates	2,435
	Total	**6,082**

2. **Please indicate total number of employees hired on temporary/contractual/casual basis**

Sl. No.	Category of Employees	Number of Employees
1.	Third-party Full-time Employees	6,940
2.	Casual employees	-
	Total	**6,940**

3. **Please indicate the number of permanent women employees**
Number of permanent women employees: 247

4. **Please indicate the number of permanent employees with disabilities**
Number of permanent employees with disabilities: 13

5. **Do you have an employee association that is recognised by the Management?**
Yes, there are recognised trade unions affiliated to various central trade union bodies. The Company's shop floor associates are members of their respective unions.

6. **What percentage of permanent employees are members of this recognised employee association?**
Approximately 40% of permanent employees are members of recognised employee associations.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.**

Sl. No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. **What percentage of under mentioned employees were given safety and skill up-gradation training in the last year?**

A.	Permanent employees	: 100%
B.	Permanent women employees	: 100%
C.	Casual/temporary/contractual employee	: 100%
D.	Employees with disabilities	: 100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. **Has the Company mapped its internal and external stakeholders? Yes/ No**
Yes, the Company has mapped its stakeholders through materiality matrix as a part of its stakeholder engagement strategy development process.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**
Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders with the help of Participatory Rural Appraisal tool and secondary socio-demographic data of the community.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**
Yes, all CSR interventions of the Company are purposed to target the disadvantaged, vulnerable and marginalised stakeholders. For instance, the Company's education projects are largely focused on government schools situated in remote rural pockets of India. The scholarship initiative of the Company named Vidya Saarathi targeted disadvantaged students who needed financial support to pursue their dreams of higher education.

The Company continues to run an Anti-Retroviral Therapy (ART) centre to support people affected by HIV/AIDS through medical treatment and counseling.

The Company has enhanced access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administration for supporting national missions on Skills development and Water conservation measures.

The Company continues to engage with the vulnerable and marginalised stakeholders for their sustainable livelihood. Skills training to youth; farmers benefitted through low external input for Sustainable Agriculture projects, institutionalising women SHG into registered federations and supporting vulnerable community during COVID-19 pandemic are some of the accomplishment during the year 2021.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the group/joint ventures/ suppliers/ contractors/ Non-Governmental Organisations (NGOs)/ others?**
All aspects of the human rights are in-built and covered under the Code of Business Conduct as well in various human resource practices/policies. The Company has a separate policy on Human Rights as well.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**
NIL

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. **Does the policy pertaining to Principle 6 cover only the Company or extends to the group/joint ventures/ suppliers/ contractors/ NGOs/ others?**
The Company's Corporate Environment Policy, pertaining to Principle 6, extends to cover the Company and its subsidiaries.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyper-link for webpage etc.**
Climate change is among the most pressing issues facing humanity, with all nations being urged to meet the goals of UN SDG 13 Climate Action. As a leading building materials Company, the Company is committed to meeting the rising demands for sustainable cities, while conforming to a low-carbon circular economy. While ACC has already validated its Science Based Targets initiative (SBTi) in 2021 and committed to Net Zero pledge, the Company focuses on following levers for reduction of CO_2 Emissions:

- Clinker substitution by making blended cements
- Alternative Fuel and Raw Materials (AFR)
- Thermal and electrical energy efficiency
- Waste Heat Recovery System (WHRS)
- Newer technologies and renewable energy through own assets as well as Open Access
- Exploring futuristic technologies like Carbon Capture, Utilisation and Storage

This information is available in the Company's webpage: https://www.acclimited.com/sustainable/climate-and-energy

3. **Does the Company identify and assess potential environmental risks? Y/N**
Yes, the Company has a process to identify and assess potential environmental risks at plant level as well as corporate level. Potential environmental risks also form a part of Enterprise Risk Management Model and Materiality analysis where all business-related risks are identified and their mitigation strategies and plans are worked upon. For details, please refer to the Business Risks and Opportunities section of the Annual Report.

4. **Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
Yes, the Company has three (3) registered projects under the Clean Development Mechanism (CDM) and Environmental Compliance Report (Validation and Verification Reports) have been filed and Certified Emission Reductions Reports were issued. Due to the prevailing market mechanisms of CDM, the Company has not pursued this mechanism during 2021 and has not filed any environmental compliance report (validation and verification reports).

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyper-link to web page etc.**
Yes, the Company has made significant strides in attaining energy efficiency in its cement plants/captive power plants by following initiatives:

- Three wind farms – one (1) each in Maharashtra, Tamil Nadu and Rajasthan with total capacity of 19 MW
- Solar power procurement through open access
- Waste Heat Recovery System (**'WHRS'**) at Gagal Cement Works
- Waste pre-processing and co-processing in cement plants
- Solar photovoltaic plant of 5.35 MW at Jamul Cement Works, Chhattisgarh and 380 KW Solar PV at Kymore mines
- Various energy efficiency improvement initiatives in operations

Details on the above initiatives can be seen at the link: https://www.acclimited.com/sustainable/climate-and-energy

6. **Are the emissions/ waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB) for the financial year being reported?**
Yes, the emissions/ waste generated by the Company was all within the permissible limits given by CPCB/ SPCB with occasional exceedances.

7. **Number of show cause/ legal notices received from CPCB/ SPCB, which are pending (i.e. not resolved to satisfaction) as of end of financial year.**
Few of the Company's plants received notices from the SPCB. However, all notices were addressed accordingly by the end of the year 2021.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.**
Yes, the Company is a member of:
   1. Cement Manufacturing Association (CMA)
   2. Confederation of Indian Industries (CII)
   3. Federation of Indian Chambers of Commerce and Industry (FICCI)
   4. National Safety Council (NSC)
   5. Swiss India Chamber of Commerce (SICC)
   6. Global Cement and Concrete Association India (GCCA)
   7. Indian Merchant Chamber (IMC)
   8. Bombay Chamber of Commerce and Industry (BCCI)
   9. Indian Green Buildings Council (IGBC)

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**
Yes, the Company actively works with above associations and advocate in the following broad areas which impact the Cement Industry:
   1. Sustainable mining practices
   2. Extended producers responsibility and safe management of plastic waste
   3. New environmental regulations
   4. Co-processing of municipal and industrial hazardous and non-hazardous wastes
   5. Use of recycled waste materials (construction and demolition waste) in cement and concrete
   6. Manufactured sand and aggregate from industrial waste
   7. RPO-REC regulations for cement and power plants, PAT regulations
   8. Green energy status for WHRS
   9. Development of new product standards for low-carbon cement and concrete products
   10. Environment product declaration and green pro-label of products
   11. Green buildings
   12. Flyash-based, pre-fab building materials
   13. Promotion of concrete roads

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**
Yes, the Company has specific programmes/ initiatives/ projects in pursuance of its CSR policy (Reference: https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf)

   All sections in the host communities are engaged by the Company for developing their village micro plans through participatory methods of planning. Individual projects are thereafter designed to address various needs of the host communities as per the priority expressed by the communities. Conscious efforts were made to prioritising women-headed, landless and small and marginal land-holding families. Special drive for exclusive skilling of women and ensuring half of the scholarship of higher education goes to girls has been ensured. HIV+ and differently able beneficiaries are specially tracked within all social and business measures.

   Implementations of these projects are thereafter monitored by the representatives of the villagers at all locations and course corrections measures are suggested by them if needed. A Community Advisory Panel (CAP) has been set up to help at all stages of CSR Interventions i.e. planning of CSR projects and process monitoring. The CSR project participants include the disadvantaged, vulnerable and marginalised sections of the society.

   The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

   a) Sustainable livelihood

   b) Quality of education

   c) Water, Sanitation, Health and Hygiene (WASH)

2. **Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structure/ any other organisation?**
The Company's CSR projects are implemented through in-house CSR department, ACC Trust, corporates, academic and government institutions.

3. **Have you done any impact assessment of your initiative?**
After conducting social audit of CSR projects for five (5) consecutive years, the Company has decided to do it every alternate year to provide enough room for necessary actions on ground. Impact assessment is on-going.

4. **What is the Company's direct contribution to community development projects – Amount in INR and details of the projects undertaken?**
The Company spent an amount of ₹35.95 Crore on development projects as mentioned below:

Sl. No.	Focus Areas	Expenditure (in Crore)
1.	ACC DISHA: for youth employability	3.47
2.	ACC Swavlamban: focusing on women empowerment and livelihood	2.27
3.	ACC LEISA: for farmer's livelihood – Low External Input for Sustainable Agriculture (LEISA)	4.56
4.	ACC Vidya Utkarsh: quality of education in government schools	4.49
5.	ACC Vidya Saarathi: student scholarships	1.81
6.	ACC Arogyam: preventive, promotive and curative healthcare	12.19
7.	ACC Sampoorna Swachhata: towards open defecation free villages	3.10
8.	ACC Sanrakshit Paryavaran: solar, biodiversity and soil and water conservation	1.41
9.	ACC Drona: to promote rural sports and traditional Indian culture	0.95
10.	Impact Assessment	0.14
11.	Overheads	1.56
	Total	**35.95**

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words.**
Yes, all the community development initiatives of the Company are implemented through participatory approach. The portfolio of CSR projects is drawn from need assessments done by third parties through participatory rural appraisal method based micro plan. A Community Advisory Panel (CAP), comprising different stakeholders from community representatives and opinion leaders of the community i.e., functional at ACC plant locations, regularly monitors the implementation of CSR initiatives and suggests measures for course corrections. The community ownership and

sustainability are the criteria that are built in CSR initiatives from the start by creating community managed organisations. Community contribution is always a priority as it ensures continuance of the project through self-governance model.

Community management principles are inbuilt in all the CSR projects from need assessment stage to project graduation stage. Capacity building and institutional sustainability are integral part of all CSR projects.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year 2021?**
   A total of 4,189 complaints were received from different stakeholders (consumers, channel partners, contractors and engineers) in 2021, out of which 155 (accounting for 3.7%) were pending as on December 31, 2021.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)**
   No, the Company only displays information as mandated by local laws. No additional information is being provided on the cement bags. The Company follows the guidelines shared by the respective authorities.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**
   a) The Builders Association of India (BAI) had filed a complaint in July 2010 before the Competition Commission of India (CCI) alleging anti-competitive behaviour on the part of major cement manufacturers including the Company. The CCI investigated the matter and post which an order was passed against the cement manufacturers and a penalty of ₹1,147.59 Crore was levied on the Company. The CCI order was challenged by the Company before the National Company Law Tribunal (NCLAT), who vide its judgement dated July 25, 2018, dismissed the appeal of the Company. The Company preferred an appeal before the Hon'ble Supreme Court of India against the NCLAT Order/ judgement. The Hon'ble Supreme Court vide its Order dated October 5, 2018, has admitted the Company's Civil Appeal and ordered for continuance of the same interim orders passed by NCLAT towards stay on the demand subject to continuance of deposit of 10% of the penalty amount.

   b) On a complaint filed by the Director General (Supply & Distribution), Department of Civil Supplies, Government of Haryana, CCI registered a case of alleged anti-competitive behaviour (allegations of bid rigging) against cement companies including the Company. The CCI vide order dated January 19, 2017 imposed a penalty of ₹35.32 Crore. The Company has filed an appeal in NCLAT against the above order and the appeal is pending before NCLAT.

   c) On complaints received from BAI and other persons, the CCI vide order dated July 1, 2019 has ordered an investigation against the cement companies and has asked the office of Director General (DG) to submit its report. The Company received the intimation for the first time in December 2020 and has duly furnished the information as sought by the office of the DG in the Requests for Information. Currently the matter is with the DG CCI and no order has been passed.

4. **Did the Company carry out any consumer survey/ consumer satisfaction trends?**
   Multiple surveys were carried out for contractors and IHBs to understand market trends and customer feedback.

Analysis of Standalone Financial

The following table sets forth the breakup of cost and profit as part of Revenue from operations

Amount in ₹ Crore

	2021	% of Revenue from operations	2020	% of Revenue from operations
Net Sales	15,814.40	97.91	13,486.83	97.84
Other operating revenue	336.95	2.09	297.71	2.16
Revenue from operations	**16,151.35**	**100.00**	**13,784.54**	**100.00**
Other Income	204.76	1.27	203.98	1.48
Total Income	**16,356.11**		**13,988.52**	
Cost of materials consumed	2,120.28	13.13	1,673.09	12.14
Purchase of Stock-in-trade	921.19	5.70	696.89	5.06
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	(174.25)	(1.08)	142.41	1.03
Employee benefits expense	834.02	5.16	839.07	6.09
Power and fuel	3,360.80	20.81	2,572.38	18.66
Freight and Forwarding expense	3,844.71	23.80	3,431.81	24.90
Finance costs	54.63	0.34	57.04	0.41
Depreciation and amortisation expense	597.28	3.70	635.30	4.61
Other expenses (Refer Note 2 below)	2,244.20	13.89	2,076.74	15.07
Total expenses	**13,802.86**	**85.46**	**12,124.73**	**87.96**
Profit before exceptional items and tax	**2,553.25**	**15.81**	**1,863.79**	**13.52**
Exceptional items (Refer Note 1 below)	92.86	0.57	176.01	1.28
Profit before tax	**2,460.39**	**15.23**	**1,687.78**	**12.24**
Tax expenses (Refer Note 3 below)	640.12	3.96	272.84	1.98
Profit for the year	**1,820.27**	**11.27**	**1,414.94**	**10.26**
Other Comprehensive Income for the year, net of tax	5.44	0.03	(14.54)	(0.11)
Total Comprehensive Income for the year	**1,825.71**	**11.30**	**1,400.40**	**10.16**

Profit for the year is not comparable with the previous year to the extent of the following reasons:

1. Exceptional items represents following:
   a) During the year ended December 31, 2021, there is a charge of ₹55 Crore on account of restructuring cost to employees and contract staff.
   b) During the year ended December 31, 2021, there is a charge of ₹38 Crore in respect of impairment in the value of investment in Lucky Minmat Limited, a wholly owned subsidiary company.
   c) During the previous year ended December 31, 2020, there was a charge of ₹176 Crore in respect of impairment of assets at Madukkarai Unit.
2. Other expenses for the previous year ended December 31, 2020 included expected credit loss of ₹129 Crore on Incentives receivables under Government schemes.
3. Tax expenses for 2020 was lower due to reversal of net deferred tax liabilities as on January 01, 2020 amounting to ₹190 Crore on account of adoption of lower income tax rate.

The year 2021 was a challenging one on many counts. The global economy witnessed major supply chain disruptions resulting in high inflation especially led by fuel costs. Cement demand was also muted during Q4 2021 driven by multiple regional factors across India.

Despite these challenges, ACC was able to deliver another year of strong performance. We delivered a net sales growth of 17% during the year with an EBITDA growth of 28%. Efficiency measures under Project 'Parvat' coupled with product premiumisation initiatives have enabled to mitigate inflationary impacts and expand margins.

The analysis of major line items in the financial statements is given below:

1. REVENUE FROM OPERATIONS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Cement and Clinker*	14,572.74	12,531.41	2,041.33	16.29
Ready Mix Concrete (RMX)	1,238.32	952.07	286.25	30.07
Income from services rendered (RMX)	3.34	3.35	(0.01)	(0.30)
Other operating revenue	336.95	297.71	39.24	13.18
Total	**16,151.35**	**13,784.54**	**2,366.81**	**17.17**

*Does not include inter-segment cement sale to Ready Mix Concrete.

Revenue from operations has increased due to following reasons:

- The Company's cement sales volume is 28.89 Million Tonnes as compared to 25.53 Million Tonnes during previous year. We delivered a sales volume growth of 13% during the year.
- Average selling price of cement increased by 4% in 2021 over 2020. Improvement in realisation was driven by better product & segment mix and improved pricing environment.
- Company's Ready Mix Concrete business sales volume grew by 24% in 2021 over 2020. Sale of Ready Mixed Concrete has increased from 22.70 Lakh Cubic Metres to 28.09 Lakh Cubic Metres.

Other operating revenue

Other operating revenue includes accrual of incentives receivables from State Governments under incentive schemes, write back of provision which is no longer required, scrap sales and other miscellaneous Income.

- Other operating revenue has Increased mainly due to higher scrap sales and insurance claim.

2. OTHER INCOME:

Amount in ₹ Crore

	2021	2020	Change	Change %
Other income	204.76	203.98	0.78	0.38

Other income consists of income on investment of surplus funds, interest on Income Tax, gain on sale and fair valuation of financial assets, dividend from non-current investments and net gain on disposal of Property, Plant and Equipment.

- There is no significant change in other income. Refer Note – 27 of Financial Statements for more details of Other income.

3. COST OF MATERIALS CONSUMED:

Amount in ₹ Crore

	2021	2020	Change	Change %
Cost of materials consumed	2,120.28	1,673.09	447.19	26.73

Cost of materials consumed has increased due to following reasons:

- Cement production has increased by 13% from 23.77 Million Tonnes to 26.92 Million Tonnes in line with the Cement sales volume growth.
- Cost of materials consumed of cement business has increased from ₹462/t to ₹510/t of cement and clinker sold in 2021 (up by 10%).
- Ready Mix Concrete production has increased by 24% from 22.70 Lakh Cubic Metres to 28.09 Lakh Cubic Metres in 2021 in line with the RMX sales volume growth.
- Consumption of purchased of clinker and limestone has increased by ₹93 Crore.
- The landed cost of slag has increased by 28% due to surge in demand and consequential need to procure from long lead sources.
- The landed cost of Flyash has also increased by 7% Increase in cost is partially offset by usage of low cost wet Flyash and conditioned Flyash.
- Increase in the cost of materials is partially offset by reduction in landed cost of Gypsum by 4% on account of source mix optimisation.

4. PURCHASE OF STOCK-IN-TRADE:

Amount in ₹ Crore

	2021	2020	Change	Change %
Purchase of Stock-in-trade	921.19	696.89	224.30	32.19

Purchase of Stock-in-trade has increased primarily on account of significant ramp-up of volumes under Master Supply Agreement (MSA) with Ambuja Cements Limited.

5. CHANGES IN INVENTORIES:

Amount in ₹ Crore

	2021	2020	Change	Change %
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	(174.25)	142.41	(316.66)	(222.36)

- Movement of change in inventories is mainly on account of increase in Clinker stock as compared to the previous year. Inventory of Semi-finished goods is ₹303 Crore as on December 31, 2021 as compared to ₹148 Crore in December 31, 2020.

6. EMPLOYEE BENEFITS EXPENSE:

Amount in ₹ Crore

	2021	2020	Change	Change %
Employee benefit expense	834.02	839.07	(5.05)	(0.60)

Employee costs remained almost same due to following offsetting reasons:

- Increments in salaries with effect from April 01, 2021.
- The Company has achieved reduction in employee cost by making strategic changes with a view to improve operational capabilities.

7. POWER AND FUEL:

Amount in ₹ Crore

	2021	2020	Change	Change %
Power and Fuel	3,360.80	2,572.38	788.42	30.65

Power and fuel cost has increased due to following reasons:

- Clinker production increased by 12%. Power and Fuel cost of cement business has increased from ₹978/t to ₹1138/t (up by 16%) in 2021, mainly due to significant increase in coal cost.
- In 2021, the imported pet coke prices increased from 80 $/t to 157 $/t (96% increase) & Imported South African coal increased from 77 $/t to 150 $/t (95% increase) and have crossed the highest price levels in Q4 2021.
- Domestic pet coke refineries followed the international pet coke prices, this has led to an increase in demand for domestic coal and due to power crisis in H2-2021, the demand of domestic coal was also increased.
- Landed cost of petcoke has increased by ~70% and coal has also increased by ~15%.
- The Company continued building fuel mix flexibility to optimise fuel cost during the year. Considering the higher petcoke prices, usage of petcoke has been restricted to 41% in 2021 as compared to 65% in 2020 and increase in domestic coal mix from 21% to 44%.
- Under project parvat, the Company is undertaking sustained measures to build a better fuel mix by maximising the use of cheaper fuel, long-term booking of coal, higher consumption of alternative fuels, improvement in efficiencies at plants and maximising the use of renewable power sources. These initiatives are leading to the following manufacturing efficiencies:
  - The cost of generation at our thermal power plants (TPP) has gone down by 1% to ₹5.56 per Kwh in 2021 against ₹5.63 per Kwh in 2020.
  - Electrical energy efficiency improved by 2.2 kwh to 78.5 kwh/t of cement during the year as against 80.7 kwh /t cement in 2020.
  - Electrical energy efficiency improved by ~0.40 kwh to 68.4 kwh/t of clinker during the year as against 68.8 kwh /t clinker in 2020 and by 0.90 kwh to 38.7 kwh/t of cement grinding during the year as against 39.6 kwh /t cement grinding in 2020.
- The company is optimising power mix and enhancing the share of renewable power in total power including solar, wind and hydro power. The Company continues to use power produced by its onsite and offsite solar plants. The Company, as part of its commitment to the Net Zero Pledge, is in the process of adding 38.7 MW of additional Waste Heat Recovery System ('WHRS') in 2022 to its existing WHRS capacity of 7.5 MW.

8. FREIGHT AND FORWARDING EXPENSE:

Amount in ₹ Crore

	2021	2020	Change	Change %
Freight and Forwarding expense				
Freight on Clinker transfer	584.33	489.83	94.50	19.29
Freight on Cement	2,539.44	2,312.68	226.76	9.81
Clearing and Forwarding expenses on cement	571.87	522.70	49.17	9.41
Ready Mixed Concrete	149.07	106.60	42.47	39.84
Total	3,844.71	3,431.81	412.90	12.03

Freight on Cement has increased due to following reasons:

- Cement despatches increased by 13% as compared to the previous year.
- Diesel prices have gone up as compared to previous year.
- Freight on cement on per tonne basis has decreased from ₹883/t to ₹865/t of cement sold (down by 2%). The Company implemented logistics cost and efficiency improvement initiatives under project Parvat such as warehouse space rationalization, improvement in direct despatches, lower lead distance and procurement negotiations:
  - Significant ramp-up of Master Supply Agreement (MSA) volume.
  - The Company has taken several digital initiatives viz. implementation of Transport Analytic Center (TAC), Sales & Operational Planning tool "Blue Yonder" and e-Tendering for cost optimization.
  - Reduction in overall lead distance by 4%

Clearing and Forwarding expenses on cement has increased mainly due to increase in volume in the current year.

Freight cost on sale of Ready Mix Concrete has gone up due to increase in volumes by 24% as compared to the previous year.

9. FINANCE COSTS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Interest				
- On Income tax	3.67	4.76	(1.09)	(22.90)
- On Defined benefit obligation	8.95	13.76	(4.81)	(34.96)
- Interest on deposits from dealers	16.19	17.14	(0.95)	(5.54)
- Interest on Lease Liabilities	9.37	9.80	(0.43)	(4.39)
- Others	14.88	10.12	4.76	47.06
Unwinding of site restoration provision	1.57	1.46	0.11	7.53
Total	54.63	57.04	(2.41)	(4.22)

There is no significant change in Finance costs as compared to previous year.

10. DEPRECIATION AND AMORTISATION EXPENSE:

Amount in ₹ Crore

	2021	2020	Change	Change %
Depreciation on Property, Plant and Equipment	566.44	604.03	(37.59)	(6.22)
Amortisation of intangible assets	5.23	3.90	1.33	34.10
Depreciation on Right of use assets	25.61	27.37	(1.76)	(6.43)
Total	597.28	635.30	(38.02)	(5.98)

Depreciation on Property, Plant and Equipment has reduced mainly on account of impairment of assets at Madukkarai unit in the previous year.

11. OTHER EXPENSES:

Other expenditure represents the following expenditure:

Amount in ₹ Crore

	2021	2020	Change	Change %
Consumption of stores and spare parts	277.26	224.77	52.49	23.35
Consumption of packing materials	552.03	386.26	165.77	42.92
Rent	107.26	75.59	31.67	41.90
Rates and taxes	96.75	76.94	19.81	25.75
Repairs	155.29	126.25	29.04	23.00
Insurance	39.10	25.51	13.59	53.27
Royalties on minerals	264.33	240.05	24.28	10.11
Advertisement	86.37	56.58	29.79	52.65
Technology and Know-how fees	154.51	132.79	21.72	16.36
Expected credit loss on Incentives under Government schemes	-	128.92	(128.92)	(100.00)
Impairment losses on trade receivables	(10.87)	37.34	(48.21)	(129.11)
Corporate Social Responsibility expense	35.95	32.33	3.62	11.20
Miscellaneous expenses	510.67	534.43	(23.76)	(4.45)
Self-Consumption of cement	(24.45)	(1.02)	(23.43)	2,297.06
Total	2244.20	2076.74	167.46	8.06

- Consumption of Stores and spares parts has increased on account of routine maintenance activities.
- Consumption of packing material cost has increased due to increase in volumes and packing material prices. Average price of packing bags has increased by 25% mainly due increase in prices of polypropylene granules (input cost).
- Rent expense has increased due to increase in volumes under cement grinding agreement with an Associate company.
- Rates and taxes increased mainly due to increase in additional goods tax linked with increase in dispatches in the State of Himachal Pradesh.
- Increase in Repairs is due to routine preventive maintenance activities.
- Royalties on minerals has increased in line with increase in production.
- Advertisement expenses has increased due to various brand promotional activities. Television was the main media platform for promoting the brand and new products. ACC had acquired the 4 years Official Partners' Rights for the BCCI let home cricket matches and the Company has spent a higher amount during cricket matches in 2021.
- Technology and Know-how fees represent the amount paid to Holcim Technology Ltd for technical support received by the Company.
- Expected credit loss on Incentives under Government schemes: During the previous year ended December 31, 2020, in view of the management re-assessing the expected recovery period for incentives receivables from the government accrued based on the respective State Industrial Policy, a charge of ₹129 Crore due to time value of money computed based on the expected credit loss method was included in Other Expenses.
- Impairment loss on trade receivables has decreased primarily on account of reversal of expected credit loss in Ready Mix Concrete business. Impairment was recognised in the previous year considering uncertainties in view of Covid-19 pandemic.
- Miscellaneous expenses include commission paid to third party, information technology services, traveling expenses, other third party services, etc. Pursuing cost reduction and cost avoidance through various initiatives have resulted in overall reduction of miscellaneous expenses.
- Self-Consumption of cement has increased due to consumption of cement for ongoing capacity expansion projects.

12. EXCEPTIONAL ITEMS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Impairment of investment in subsidiary	38.10	-	38.10	100.00
Impairment of assets	-	176.01	(176.01)	(100.00)
Restructuring cost	54.76	-	54.76	100.00
Total	92.86	176.01	(83.15)	(47.24)

- During the year ended December 31, 2021, there is a charge of ₹38 Crore in respect of impairment in the value of investment in Lucky Minmat Limited, a wholly-owned subsidiary company as the carrying amount exceeds its recoverable amount.
- During the previous year ended December 31, 2020, there was a charge of ₹176 Crore in respect of impairment of assets at Madukkarai Unit as the carrying amount exceeded its recoverable amount.
- During the year ended December 31, 2021, there is a charge of ₹55 Crore on account of restructuring cost.

13. TAX EXPENSES:

Amount in ₹ Crore

	2021	2020	Change	Change %
Current tax	635.41	547.38	88.03	16.08
Deferred tax (credit)/charge	4.71	(274.54)	279.25	(101.72)
Total	640.12	272.84	367.28	134.61

- Normalised income tax expenses increased in line with an increase in profit before tax.
- During the previous year, the Company adopted the lower income tax rate (25.17% including surcharge) and accordingly, the net deferred tax liability as on January 01, 2020 amounting to ₹190 Crore was reversed.

14. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS AND INTANGIBLE ASSETS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Property, Plant and Equipment	6,518.42	6,482.91	35.51	0.55
Capital work-in-progress	1,240.75	545.30	695.45	127.53
Other Intangible assets	49.77	45.80	3.97	8.67
Total	7,808.94	7,074.01	734.93	10.39

Property, Plant and Equipment has increased due to following offsetting reasons:

- The Company successfully commissioned a new Grinding Unit with a cement capacity of 1.4 MTPA on January 02, 2021 at Sindri, in the State of Jharkhand which will further strengthen our positioning in the eastern region.
- During the year, the Company has capitalised Property, Plant and Equipment of ₹643 Crore mainly consisting of Sindri expansion and routine maintenance and efficiency/productivity improvement capex.
- Depreciation and amortisation for the year is ₹597 Crore.
- Capital work-in-progress includes capital expenditure for increasing the operating capacity, efficiency improvement and maintenance capex. Major Capital Work-in-Progress are related to following projects:

Amount in ₹ Crore

Projects	2021	2020
Greenfield integrated cement plant in Ametha	433.26	65.14
Expansion of the existing grinding unit in Tikaria	253.26	10.63
Expansion of the existing grinding unit in Sindri	-	168.36
Waste Heat Recovery System (WHRS)	128.17	38.08
Efficiency improvement and maintaining operating capacity	426.05	263.10
Total	1,240.74	545.31

15. RIGHT OF USE ASSETS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Right of use assets	154.61	129.89	24.72	19.03

- The Company's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, plant and equipment, office premises and other premises.

16. INVESTMENTS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Investments in subsidiaries, associates and joint ventures	174.33	212.43	(38.10)	(17.94)
Other Non-current investments	18.40	8.20	10.20	124.39
Total	192.73	220.63	(27.90)	(12.65)

- During the year, Company has impaired the investment of ₹38 Crore in Lucky Minmat Limited, a wholly owned subsidiary company.
- During the year, the Company has subscribed 80,23,803 equity shares in Solbridge Energy Private Limited (SEPL) representing 19.06% holding for a total consideration of ₹10 Crore. The SEPL has set up a solar power plant in the State of Chhattisgarh of which the Company's Jamul plant would be one of the consumers.

17. OTHER FINANCIAL ASSETS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Other non-current Financial assets (Net)	913.14	767.41	145.73	18.99
Other current Financial assets	260.05	319.39	(59.34)	(18.58)
Total	1,173.19	1,086.80	86.39	7.95

Other Financial Assets has increased primarily for following offsetting reasons:

- Accrual of GST Incentives receivable of ₹155 Crore during the year under Government schemes for Sindri and Chanda plants.
- During the year the Company has received incentive of ₹112 Crore.
- Security deposit has increased by ₹33 Crore mainly due to increase in deposits given for power supply and supply of raw materials.

18. OTHER ASSETS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Other non-current assets	594.95	653.86	(58.91)	(9.01)
Other current assets	809.94	687.17	122.77	17.87
Total	1,404.89	1,341.03	63.86	4.76

Other non-current assets have gone down due to following reason:

- Capital Advances has decreased by ₹60 Crore in line with progress made in Ametha and Tikaria expansion projects.

Other current assets have gone up due to following reasons:

- Advance to suppliers has gone up by ₹68 Crore due to advance given for supply of coal and other raw materials.
- GST input credit receivables has gone up by ₹65 Crore.

19. INVENTORIES:

Amount in ₹ Crore

	2021	2020	Change	Change %
Raw Materials	165.56	115.54	50.02	43.29
Work-in-Progress	302.98	147.84	155.14	104.94
Finished Goods	129.19	111.74	17.45	15.62
Stock-in-trade	16.14	14.48	1.66	11.46
Stores and Spares	213.72	248.94	(35.22)	(14.15)
Packing Materials	40.42	24.07	16.35	67.93
Fuels	405.3	237.86	167.44	70.39
Total	1,273.31	900.47	372.84	41.41

Average inventory turnover in sales days has decreased from 31 days in 2020 to 29 days in 2021. Inventory (days) is calculated as Average Inventory/ Cost of Goods Sold (Cost of Sales + Depreciation) multiplied by 365.

- Inventory of clinker has increased as compared to the previous year.
- Inventory of Stores and Spare Parts has decreased due to strict control on procurement.
- Fuel inventory has increased mainly due to increase in fuel prices. Fuel prices were at an all-time high.

20. TRADE RECEIVABLES:

Amount in ₹ Crore

	2021	2020	Change	Change %
Trade receivables – Cement	222.47	234.25	(11.78)	(5.03)
Trade receivables – Ready Mixed Concrete	266.71	217.28	49.43	22.75
Total	489.18	451.53	37.65	8.34

- Trade receivable for cement has decreased due to better collections and strict credit norms.
- The average trade receivables in sales days outstanding for cement sales as on December 31, 2021 is 6 days as compared to 8 days as on December 31, 2020. This shows consistency in managing its credit with the customers and this also reflects on the stable financial position of most of its customers. Debtor Turnover (days) is calculated as Average Debtors/Total Consolidated Sales multiplied by 365.
- The average trade receivables in sales days for Ready Mix Concrete business as on December 31, 2021 is 71 as compared to 103 as on December 31, 2020 which demonstrated better recoveries in view of focused efforts on collection amidst uncertainties due to Covid.

21. CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES:

Amount in ₹ Crore

	2021	2020	Change	Change %
Cash and Cash Equivalents	7,247.24	5,734.92	1,512.32	26.37
Other bank balances	156.94	156.17	0.77	0.49
Total	7,404.18	5,891.09	1,513.09	25.68

Cash and cash equivalents consists of cash on hand, cash at banks, demand deposits from the banks and short-term, highly liquid instruments. As part of Company's cash management policy to meet short-term cash commitments, it parks its surplus funds in short-term highly liquid instruments that are held for a period of three months or less from the date of acquisition.

- During the year, the Company has generated additional cash and cash equivalents amounting to ₹1512 Crore, up by 26% versus 2020. The improvement is driven by strong operating performance and working capital management.
- Other bank balances includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) of ₹132 Crore *(Previous year – ₹128 Crore)* relating to CCI matter.

22. PROVISIONS:

Amount in ₹ Crore

	2021	2020	Change	Change %
Non-current provisions	214.30	213.57	0.73	0.34
Current provisions	15.70	15.87	(0.17)	(1.07)
Total	230.00	229.44	0.56	0.24

- Provision includes employee benefits and site restoration provisions. There is no significant movement in provisions as compared to previous year.

23. TRADE PAYABLES:

Amount in ₹ Crore

	2021	2020	Change	Change %
Trade Payables	1,899.21	1,416.30	482.91	34.10

- Increase in trade payables are driven by better credit terms with suppliers.
- Average trade payable in sales days has marginally decreased from 39 days in 2020 to 38 days in 2021.

24. OTHER CURRENT LIABILITIES:

Amount in ₹ Crore

	2021	2020	Change	Change %
Other current financial liabilities				
Interest accrued	13.33	13.89	(0.56)	(4.03)
Unpaid dividend	23.80	28.49	(4.69)	(16.48)
Security deposits and retention money	792.37	801.26	(8.89)	(1.11)
Liability for capital expenditure	135.07	34.87	100.20	287.35
Provision for employees	137.18	128.55	8.63	6.71
Other financial liabilities	25.45	-	25.45	100.00
Foreign currency forward contract	-	0.28	(0.28)	(100.00)
Other current liabilities				
Advance from customers	252.32	148.18	104.14	70.28
Statutory dues payable	675.15	575.14	100.01	17.39
Rebates to customers	592.68	521.56	71.12	13.64
Other payables	739.42	748.22	(8.80)	(1.18)
Total	3,386.77	3,000.44	386.33	12.88

Other current financial liabilities

- Liability for capital expenditure has increased due to ongoing capacity expansion projects at Ametha and Tikaria.
- Other financial liability consists of restructuring cost provision for third party employees.
- Statutory dues payable (GST) and Rebates to customers has increased in line with increase in sales.

25. CASH FLOWS:

Amount in ₹ Crore

	2021	2020	Change	Change%
Net cash flow from operating activities	2,831.62	2,215.57	616.05	27.81

Net cash from operating activities has increased due to following reasons:

- The Company has delivered strong operational results. The cash operating profit before working capital changes has increased by ₹452 Crore.
- Working capital has decreased by ₹130 Crore as compared to a decrease of ₹387 Crore in previous year. The Company continues to maintain strict control on trade receivables and trade payables.
- Direct tax paid – (Net of refunds) has reduced by ₹422 Crore as compared to the previous year.
  - During the current year, the Company has received tax refund of ₹182 Crore (including ₹12 Crore interest on income tax).
  - Direct tax paid in 2020 was higher due to payment of ₹104 Crore towards outstanding demand for earlier year.

Amount in ₹ Crore

	2021	2020	Change	Change%
Net cash flow from investing activities	(989.01)	(536.59)	(452.42)	84.31

Net cash used for investing activities has increased mainly due to capex spend on expansion projects.

Amount in ₹ Crore

	2021	2020	Change	Change%
Net cash flow used for financing activities	(330.52)	(327.36)	(3.16)	0.97

There is no significant changes in cash flow from financing activities

RATIO ANALYSIS:

1. Operating EBITDA margin

(%)

	2021	2020
Operating EBITDA margin*	18.97	17.44

* After considering charge of ₹129 Crore towards time value of money of Government Incentives in 2020

- Efficiency measures under Project 'Parvat' coupled with product premiumisation initiatives have enabled to mitigate inflationary impacts and expand margins.

2. Return on Average Capital Employed

(%)

	2021	2020
Return on Average Capital Employed	18.99	15.41

Average return on capital employed increased by 358 basis points mainly due to following reason:

- Earnings before exceptional items and tax increased by 37% against 11% growth in average Capital Employed.

3. Return on Net worth

(%)

	2021	2020
Return on Net worth	12.79	11.18

Return on Net worth has increased by 161 basis points due to strong performance. Profit after tax grew by 29% against 12% growth in net worth. This shows the Company's strength in generating higher profits on the shareholders' equity.

4. Current Ratio (Times)

(Times)

	2021	2020
Current ratio	0.92	1.00

Decrease in current ratio in mainly on account of strong working capital management.

5. Price Earning Ratio

(Times)

	2021	2020
Price Earning Ratio (Times)	22.86	21.56

Increase in Price Earning Ratio along with rise in earnings per share driving jump in Company's share price over previous year.

6. Dividend per share, earning per share and Dividend Payout Ratio

	2021	2020
Dividend per share (₹)	58	14
Basic Earnings per Share (₹)	96.93	75.35
Dividend payout ratio (%)	60	19

- The Board of Directors has recommended highest ever dividend of ₹58 per share.
- Basic Earnings per share stood at ₹96.93 for the year ended 2021 registering an increase by 29% as compared to previous year.

7. Fixed Asset Turnover Ratio

(Times)

	2021	2020
Fixed Asset Turnover Ratio	2.00	1.90

- Asset turnover ratio has improved primarily on account of increase in net sales.

To The Members of ACC Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of ACC Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Notes 40(A)(a) and 40(A)(b) of the standalone financial statements which describe the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹1,147.59 Crore for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), (which replaced the Competition Appellate Tribunal (COMPAT) effective May 26, 2017), in its order passed on July 25, 2018 had upheld the CCI's Order. The Company's appeal against the said judgment of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 05, 2018 with a direction that the interim order passed by the Tribunal would continue.

b) In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated January 19, 2017, had imposed a penalty of ₹35.32 Crore on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT had stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these standalone financial statements. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	Auditor's Responses
1.	**Litigation, Claims and Contingent Liabilities:** Refer Notes 24, 40(A) and 41 to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements) The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims (including claims receivables) and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities. • Examined the Company's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the management from external law firms to evaluate the basis used for provisions recognised or the disclosures made in the standalone financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions.
2.	**Income tax provision:** (Refer Notes 22 and 40(A) of the standalone financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgment required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes/litigations. • Provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2021 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the management's underlying key assumptions in estimating the tax provisions. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, Business Responsibility Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements, and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on December 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditor's Report

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 40(A) in the standalone financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Saira Nainar

(Partner)

(Membership No. 040081)

(UDIN: 22040081ABAHYZ4041)

Place: Mumbai

Date: February 09, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of ACC Limited ("the Company") as of December 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Saira Nainar

(Partner)

(Membership No. 040081)

(UDIN: 22040081ABAHYZ4041)

Place: Mumbai

Date: February 09, 2022

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner i.e. at least once every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the registered sale deed/ transfer deed/ conveyance deed/ other documents evidencing title of the Company, we report that, the title deeds, of all the immovable properties of land and buildings which are freehold, other than self-constructed buildings, included in the property, plant and equipment are held in the name of the Company as at the Balance Sheet date, except the following which are not held in the name of the Company as given below:

(₹ in Crore)

Particulars of the land and building	Gross Carrying Value as at December 31, 2021	Net Carrying Value as at December 31, 2021	Remarks
Freehold Land	1.37	1.37	Title deeds are in name of the entities which got merged with the Company.
Buildings	16.45	12.11	
Freehold Land	0.35	0.35	Original title deeds are not available. Copies are available.
Buildings	0.39	0.33	
Buildings	4.45	4.39	The Company is in process to obtain title deeds.
Freehold Mining Land	131.53	131.53	

In respect of immovable properties of land that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at Balance Sheet date, except for the following which are not held in the name of the Company as given below:

(₹ in Crore)

Particulars of the land	Gross Carrying Value as at December 31, 2021	Net Carrying Value as at December 31, 2021	Remarks
Leasehold Land	2.34	1.98	Title deeds are in name of the entities which got merged with the Company.
Leasehold Land	1.19	1.00	Original title deeds are not available. Copies are available.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees to directors or companies in which directors are interested which are covered under Section 185. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for manufacture of cement. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

Annexure "B" to the Independent Auditor's Report

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. Sales Tax, Service Tax, Excise Duty and Value Added Tax are not applicable during the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at December 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, and Goods and Services Tax which have not been deposited as on December 31, 2021 on account of disputes are given below:

(₹ in Crore)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid
Income Tax Act, 1961	Income Tax and Interest	Commissioner	2012-2013	7.11
			2017-2018	122.73
			2016-2017	2.89
			2018-2019	122.47
		Assessing Officer	2002-2003	0.66
			2019-2020	21.12
Sales Tax/Value Added Tax	Sales Tax, VAT, Penalty and Interest	High Court	1984-2018	131.23
		Appellate Authorities & Tribunal	1984-2018	194.11
		Commissioner	1990-2018	21.38
Central Excise Act, 1944	Excise Duty, Penalty and Interest	Supreme Court	1994-2000	2.34
		High Court	2001-2013	56.84
		Appellate Authorities & Tribunal	1994-2018	123.77
		Commissioner	2001-2018	1.58
Finance Act, 1994	Service Tax, Penalty and Interest	Appellate Authorities & Tribunal	2001-2018	175.63
		Commissioner	2005-2018	38.82
Custom Act, 1962	Custom Duty, Penalty and Interest	Appellate Authorities & Tribunal	2012-2013	0.47
Goods and Services Tax Act, 2017	Goods and Services Tax	High Court	2014-2018	71.60
		Appellate Authorities & Tribunal	2014-2018	0.45

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ABAHYZ4041)

Place: Mumbai
Date: February 09, 2022

Balance Sheet

as at December 31, 2021

₹ Crore

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
A. ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	6,518.42	6,482.91
b) Capital work-in-progress		1,240.75	545.30
c) Other Intangible assets	3	49.77	45.80
d) Right of use assets	4	154.61	129.89
e) Investments in subsidiaries, associates and joint ventures	5	174.33	212.43
f) Financial Assets			
(i) Investments	6	18.40	8.20
(ii) Loans	7	6.08	7.59
(iii) Other financial assets	8	913.14	767.41
g) Non-Current Tax Assets (Net)		1,002.11	942.04
h) Other non-current assets	9	594.95	653.86
Total Non-current assets		**10,672.56**	**9,795.43**
2) Current assets			
a) Inventories	10	1,273.31	900.47
b) Financial Assets			
(i) Trade receivables	11	489.18	451.53
(ii) Cash and Cash Equivalents	12	7,247.24	5,734.92
(iii) Bank balances other than Cash and Cash Equivalents	13	156.94	156.17
(iv) Loans	14	7.46	6.68
(v) Other financial assets	15	260.05	319.39
c) Current Tax Assets (Net)		-	71.26
d) Other current assets	16	809.94	687.17
		10,244.12	**8,327.59**
e) Non-current assets classified as held for sale	17	2.33	2.91
Total Current assets		**10,246.45**	**8,330.50**
TOTAL – ASSETS		**20,919.01**	**18,125.93**
B. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	18	187.99	187.99
b) Other Equity	19	14,040.44	12,473.45
Total Equity		**14,228.43**	**12,661.44**
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
Lease Liabilities	20	101.37	83.98
b) Provisions	21	214.30	213.57
c) Deferred tax liabilities (Net)	22	382.74	376.20
Total Non-current liabilities		**698.41**	**673.75**
Current liabilities			
a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	44	25.33	6.29
Total outstanding dues of creditors other than micro and small enterprises		1,873.88	1,410.01
(ii) Other financial liabilities			
Lease Liabilities		24.21	18.50
Other financial liabilities	23	1,127.20	1,007.34
b) Other current liabilities	24	2,259.57	1,993.10
c) Provisions	25	15.70	15.87
d) Current Tax Liabilities (Net)		666.28	339.63
Total Current liabilities		**5,992.17**	**4,790.74**
Total Liabilities		**6,690.58**	**5,464.49**
TOTAL – EQUITY AND LIABILITIES		**20,919.01**	**18,125.93**
Significant accounting policies	1		
See accompanying notes to the financial statements			

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Statement of Profit and Loss

for the year ended December 31, 2021

₹ Crore

Particulars	Note No.	For the year ended December 31, 2021		For the year ended December 31, 2020
INCOME				
1 Revenue from operations	26	16,151.35		13,784.54
2 Other Income	27	204.76		203.98
3 Total Income (1+2)			**16,356.11**	**13,988.52**
4 EXPENSES				
a) Cost of materials consumed	28	2,120.28		1,673.09
b) Purchase of Stock-in-trade	29	921.19		696.89
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(174.25)		142.41
d) Employee benefits expense	31	834.02		839.07
e) Power and fuel		3,360.80		2,572.38
f) Freight and Forwarding expense	32	3,844.71		3,431.81
g) Finance costs	33	54.63		57.04
h) Depreciation and amortisation expense	34	597.28		635.30
i) Other expenses	35	2,268.65		2,077.76
		13,827.31		**12,125.75**
Captive Consumption of Cement		(24.45)		(1.02)
Total Expenses			**13,802.86**	**12,124.73**
5 Profit before exceptional items and tax (3-4)			**2,553.25**	**1,863.79**
6 Exceptional items				
a) Impairment of investment and assets {Refer Note – 2(3) & 45 (i)}			38.10	176.01
b) Restructuring cost (Refer Note – 56)			54.76	-
7 Profit before tax (5-6)			**2,460.39**	**1,687.78**
8 Tax expense	22			
a) Current tax		635.41		547.38
b) Deferred tax charge/(credit)		4.71		(274.54)
			640.12	**272.84**
9 Profit for the year (7-8)			1,820.27	1,414.94
10 Other Comprehensive Income (OCI)				
(i) Items that will not be reclassified to profit and loss:				
Re-measurement gain/(loss) on defined benefit plans	37		7.27	(6.01)
(ii) Income tax relating to items that will not be reclassified to profit and loss	22		(1.83)	(8.53)
Other Comprehensive Income for the year, net of tax			**5.44**	**(14.54)**
11 Total Comprehensive Income for the year (9+10)			**1,825.71**	**1,400.40**
12 Earnings per equity share of ₹10 each:	36			
Basic ₹			96.93	75.35
Diluted ₹			96.67	75.17
Significant accounting policies	1			
See accompanying notes to the financial statements				

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Statement of Changes in Equity
for the year ended December 31, 2021

A. Equity Share Capital

	Note No.	₹ Crore
As at January 01, 2020	18	187.99
Issue of equity shares		-
As at December 31, 2020	18	187.99
Issue of equity shares		-
As at December 31, 2021	18	**187.99**

B. Other Equity

For the year ended December 31, 2021

₹ Crore

	Reserves and surplus (Refer Note – 19)					
	Capital Reserve	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings	Total Other Equity
As at January 01, 2021	**67.81**	**845.03**	**2,723.30**	**3.29**	**8,834.02**	**12,473.45**
Profit for the year	-	-	-	-	1,820.27	1,820.27
Other Comprehensive Income for the year, net of tax	-	-	-	-	5.44	5.44
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,825.71**	**1,825.71**
Employee Share-based payments (Refer Note – 53)	-	-	-	4.18	-	4.18
Final dividend paid for 2020 (Refer Note – 52)	-	-	-	-	(262.90)	(262.90)
As at December 31, 2021	**67.81**	**845.03**	**2,723.30**	**7.47**	**10,396.83**	**14,040.44**

Statement of Changes in Equity
for the year ended December 31, 2021

For the year ended December 31, 2020

₹ Crore

	Reserves and surplus (Refer Note – 19)					
	Capital Reserve	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings	Total Other Equity
As at January 01, 2020	**67.81**	**845.03**	**2,723.30**	**0.63**	**7,696.52**	**11,333.29**
Profit for the year	-	-	-	-	1,414.94	1,414.94
Other Comprehensive Income for the year, net of tax	-	-	-	-	(14.54)	(14.54)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,400.40**	**1,400.40**
Employee Share-based payments (Refer Note – 53)	-	-	-	2.66	-	2.66
Interim dividend paid for 2019 (Refer Note – 52)	-	-	-	-	(262.90)	(262.90)
As at December 31, 2020	**67.81**	**845.03**	**2,723.30**	**3.29**	**8,834.02**	**12,473.45**

See accompanying notes to the financial statements

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Statement of Cash Flow

for the year ended December 31, 2021

₹ Crore

Particulars	Note no.	For the year ended December 31, 2021	For the year ended December 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax		2,460.39	1,687.78
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	34	597.28	635.30
Impairment of investment in Subsidiary Company	5	38.10	-
Impairment of assets	2	-	176.01
Provision for restructuring cost		47.42	-
Expected credit loss on non current financial assets	35	-	128.92
(Profit)/ Loss on sale/ write-off of Property, Plant and Equipment and Other Intangible assets (net)	35 & 27	(1.68)	10.96
Gain on termination of leases	27	(0.61)	(2.38)
Gain on sale of current financial assets measured at FVTPL	27	(8.41)	(14.82)
Gain on sale of investment in Subsidiary Company	27	-	(3.94)
Dividend income	27	(1.56)	(0.29)
Interest income	27	(192.27)	(182.43)
Finance costs	33	54.63	57.04
Impairment losses/(reversal) on trade receivables (net)	35	(10.87)	37.34
Provision for slow and non moving Stores & Spares (net)	10	6.85	7.96
Provision no longer required written back	26	(7.33)	(5.80)
Net gain on fair valuation of current financial assets measured at FVTPL	27	(0.23)	(0.12)
Employee share-based payments	31	4.18	2.66
Fair Value movement in Derivative Instruments		-	0.28
Unrealised exchange loss (net)		0.90	0.34
Operating profit before working capital changes		**2,986.79**	**2,534.81**
Changes in Working Capital:			
Adjustments for Decrease/(Increase) in operating assets:			
(Increase)/Decrease in Inventories	10	(379.69)	232.52
(Increase)/Decrease in Trade receivable	11	(26.78)	139.56
Increase in other assets	8, 9, 15 -17	(190.75)	(67.95)
Adjustments for Increase/(Decrease) in operating liabilities:			
Increase/(Decrease) in Trade payables		489.34	(49.21)
Decrease in Provisions	21 & 25	(2.68)	(49.31)
Increase in Other liabilities	23-24	240.28	181.55
Cash generated from operations		**3,116.51**	**2,921.97**
Direct taxes paid including interest on Income tax - (Net of refunds)		(284.89)	(706.40)
Net Cash flow from operating activities		**2,831.62**	**2,215.57**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Loans to subsidiary companies	42	(0.04)	(0.21)
Purchase of Property, Plant and Equipment and Other Intangible assets (Including Capital work-in-progress and Capital Advances)			
Capex for increases in operating capacity		(612.92)	(409.30)
Capex for efficiency improvement and maintaining operating capacity		(559.97)	(336.54)
Proceeds from sale of Property, Plant and Equipment and Other Intangible assets		22.02	0.68
Proceeds from sale of investment in Subsidiary Company		-	20.00
Investment in Equity shares	6	(10.20)	(4.50)
Net proceeds from sale of mutual funds		8.41	14.82
Investment in bank and margin money deposits (having original maturity for more than 12 months)	8	(13.46)	(3.81)
Redemption of bank and margin money deposits (having original maturity for more than 12 months)	8	6.42	1.40
Investment in bank and margin money deposits (having original maturity for more than 3 months)	13	(10,252.46)	(7,238.00)
Redemption of bank and margin money deposits (having original maturity for more than 3 months)	13	10,247.00	7,234.32
Investment in certificate of deposits		-	(750.00)
Redemption of certificate of deposits		-	750.00
Dividend received from Associate/Joint venture	27	1.56	0.29
Interest received		174.63	184.26
Net cash used in investing activities		**(989.01)**	**(536.59)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(31.63)	(39.87)
Payment of Lease Liabilities (Refer Note – 38 (II) for reconciliation of liabilities)		(35.99)	(24.59)
Dividend paid	52	(262.90)	(262.90)
Net cash used in financing activities		**(330.52)**	**(327.36)**
Net increase in cash and cash equivalents		**1,512.09**	**1,351.62**
Add: Cash and cash equivalents at the beginning of the year	12	5,734.92	4,383.18
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	27	0.23	0.12
Cash and cash equivalents at the end of the year	12	**7,247.24**	**5,734.92**
See accompanying notes to the financial statements			

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Ind AS – 7 on Cash Flow Statements.
2. Refer Note 43 for Cash flows arising from the reportable segments.

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Notes to the Financial Statements

for the year ended December 31, 2021

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

Corporate Information

ACC Limited (the 'Company') is a public Company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on The National Stock Exchange of India (NSE) and The Bombay Stock Exchange Ltd (BSE) of India. The registered office of the Company is located at Cement House, 121, Maharshi Karve Road, Mumbai – 400 020, India.

ACC Limited, a member of the Holcim Group (Erstwhile LafargeHolcim), is principally engaged in the business of manufacturing and selling of Cement and Ready-Mix Concrete. The Company has manufacturing facilities across India and caters mainly to the domestic market.

1. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on February 09, 2022

II. Basis of Preparation

These financial statements have been prepared on a historical cost basis, except for the following material items in the Balance Sheet:

a) Certain financial assets and liabilities are measured at fair value (Refer Note 1(X) for accounting policy on Financial Instruments);

b) Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell; and

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation.

d) Employee share-based payments measured at fair value.

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

The accounting policies have been applied consistently over all the periods presented in these financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

i. Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii. Level 2 — inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 — inputs that are unobservable for the asset or liability.

III. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

IV. Classification of Current/Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of Financial Statements".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its normal operating cycle as twelve months for the purpose of Current/Non-current classification of assets and liabilities.

V. Property, Plant and Equipment

Recognition and measurement

a) Property, Plant and Equipment are stated at cost of acquisition/installation or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses, if any).

Cost comprises the purchase price (net of trade discount and rebates), including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use, including relevant borrowing costs. Expenditures directly attributable to self-constructed assets during its construction period are capitalised if the recognition criteria are met.

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.

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

b) Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

c) When a major inspection is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

d) Spares which meet the definition of Property, Plant and Equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the Statement of Profit and Loss.

e) Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at cost less accumulated impairment loss, if any. Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition/construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

f) The accounting policy related to Leases has been disclosed in Note 1 (XXI)

Depreciation and amortisation

a) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. The estimated extractable mineral reserves are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis. Freehold non-mining land is not depreciated.

b) Depreciation on Property, Plant and Equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight-line method and on CPP assets using the written down value method based on their respective estimated useful lives.

Estimated useful lives of assets are determined based on technical parameters/assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & Fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

The Management believes that the useful lives as given above represents the period over which the assets are likely to be used.

c) Depreciation on additions to Property, Plant and Equipment is provided on a pro rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

d) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

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

f) The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

g) 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.

Derecognition

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss under "Other Income/Other Expenses" when the asset is derecognised.

VI. Intangible Assets

Recognition and Measurement:

Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax/duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

Stripping cost

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to limestone, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the limestone body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

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

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

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

VII. Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Statement of Profit and Loss.

VIII. Business Combinations and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The Company measures goodwill as of the acquisition date at the difference of the fair value consideration transferred (including fair value of previously held interest and contingent consideration) less the net fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed. When such difference results into deficit, the excess is recognised in equity as capital reserve.

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

IX. Inventories

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores and Spare parts, Packing Material and Fuels

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

b) Work-in-progress, Finished Goods and Stock-in-Trade

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

Notes to the Financial Statements
for the year ended December 31, 2021

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

X. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

The Company's financial assets comprise the following:

i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions, (f) other short-term receivables (including incentive receivable from Government) and deposits and (g) forward contract.

ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits and (b) other long-term receivables (including incentive receivable from Government) and deposits.

Initial recognition and measurement

The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement of financial assets

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

i. **Financial assets at amortised cost**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. **Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL**

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

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

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Company does not own any financial asset classified at fair value though other comprehensive income.

iii. **Financial assets at fair value through profit or loss (FVTPL)**

Debt instrument at FVTPL

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

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

Notes to the Financial Statements
for the year ended December 31, 2021

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item of Statement of Profit and Loss.

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 net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'other income' line item of Statement of Profit and Loss.

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

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

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

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company does not hold derivative financial instruments for speculative purposes.

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's financial statements) when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

i. the Company has transferred substantially all the risks and rewards of the asset, or

ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit

Notes to the Financial Statements

for the year ended December 31, 2021

Notes to the Financial Statements
for the year ended December 31, 2021

Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, bond; and

b) Trade receivables other receivables (including incentive receivable from Government).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

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

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

Lifetime ECL is the expected credit loss resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve 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 effective interest rate (EIR).

ECL impairment loss allowance (or reversal) during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected in a separate line in the Statement of Profit and Loss under the head 'Other expenses' as an impairment gain or loss.

b) **Financial liabilities and equity instruments**

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

The Company's financial liabilities mainly comprise (a) trade payables, (b) liability for capital expenditure, (c) security deposit, (d) other payables (e) Lease liabilities and (f) forward contract.

Initial recognition and measurement

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

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

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

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Company. All the financial liabilities of the Company are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

(a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

(b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or

(c) it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Company does not owe any financial liability which is either classified or designated at fair value though profit or loss.

Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Company's financial statements) when, and only when, the obligation under the liability is discharged or cancelled or expired.

An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "Financial Instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set-off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

XI. Effective Interest Method

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

XII. Investment in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

XIII. Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. The Company does not recognise a contingent asset, if any but discloses in the financial statements.

XIV. Site Restoration and Other Environmental Provisions

The Company provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss.

XV. Foreign Currency Transactions/Translations

These financial statements are presented in Indian Rupees (₹).

Transactions in currencies other than Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

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

XVI. Revenue Recognition

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 for those goods or services.

Sale of goods

Revenue from the sale of the Company's core products Cement and Ready-Mix Concrete is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms 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. 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 the customer concerned, which is consistent with market practice.

Contract Balances

Trade receivables

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

Contract assets, which is a company's 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's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in Note no. 24. Contract liabilities are recognised as revenue when the Company performs under the contract.

Rendering of services

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

Interest income and royalties

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

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

XVII. Retirement and Other Employee Benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plans

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

c) Defined Benefit Plans

The Company's gratuity scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Provident Fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. Periodic contributions to the fund are charged to the Statement of Profit and Loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India and any expected loss in investment. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

Defined benefit costs are categorised as follows:

i. The current service cost of the defined benefit plans, recognised in the Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Statement of Profit and Loss when they occur.

ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in finance cost in the Statement of Profit and Loss.

iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

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

e) **Other Long-term benefits**
Long service awards and accumulated compensated absences which are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service are treated as other long-term employee benefits for measurement purposes.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The Company's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Statement of Profit and Loss.

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

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

ii. when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits.

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

g) **Presentation and disclosure:**
For the purpose of presentation of defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. The Company presents the entire compensated absences as short-term provisions, since employee has an unconditional right to avail the leave at any time during the year.

h) **Employee share-based payments**
The Ultimate holding Company of the Company operates various equity-settled performance share plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognised in the Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents movement in the cumulative expenses recognised as at the beginning and end of that period.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account / Capital Contribution from Parent is transferred to other equity.

Notes to the Financial Statements
for the year ended December 31, 2021

XVIII. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held for sale are not depreciated or amortised.

XIX. Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

XX. Taxation

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

Current income tax
Current income tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income Tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

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

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

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

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

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

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

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

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

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

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

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

Deferred tax relating to items recognised outside Statement of Profit 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 income tax levied by the same taxation authority.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

XXI. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Company has the right to direct the use of the asset.

Company as a lessee:

Right-of-use assets ("ROU")

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

Right of use assets	Average (Range) lease terms (in years)
Buildings	8
Land	8 – 99
Machines	6
Furniture and Vehicles	5

The right of use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Statement of Profit or Loss.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease term

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

Presentation

Lease liability and ROU asset have been separately presented in the Balance Sheet and related cash flows are classified as financing activities in the Statement of Cash Flows.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (in the range of ₹4,00,000 to ₹16,00,000 for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The related cash flows are classified as operating activities in the Statement of Cash Flows.

Company as a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

XXII. Segment Reporting

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of Directors of the Company has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Company and makes strategic decisions.

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue/ expenses/ assets/ liabilities'.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

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

XXIII. Cash and Cash Equivalents

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

Notes to the Financial Statements
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XXIV. Government Grants and Subsidies

a) Grants and subsidies from the Government are recognised when the Company will comply with all the conditions attached to them and there is a reasonable assurance that the grant/subsidy will be received.

b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment are recognised in the Statement of Profit and Loss in the period in which they become receivable.

c) Where the government grant/subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss, under other operating revenue over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

d) Where the grant or subsidy relates to an asset, it is presented in the balance sheet by setting up the grant as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

XXV. Earnings Per Share

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

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

XXVI. Exceptional items:

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed separately in the financial statements.

XXVII. Use of Estimates and Judgements

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

Estimates and judgements 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 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:

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

Leases

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Financial Statements
for the year ended December 31, 2021

Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Useful lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the asset.

Impairment of investments in subsidiaries, associates and joint ventures

Determining whether the investments in subsidiaries, associates and joint ventures are impaired requires an estimate of the value in use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the investee Companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

Incentives under the State Industrial Policy

The Company's manufacturing units in various states are eligible for incentives under the respective State Industrial Policy. The Company accrues these incentives as refund claims in respect of VAT/GST paid, on the basis that all attaching conditions were fulfilled by the Company and there is reasonable assurance that the incentive claims will be disbursed by the State Governments.

The Company measures expected credit losses in a way that reflects the time value of money. Any subsequent changes to the estimated recovery period could impact the carrying value of Incentives receivable.

XXVIII. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 01, 2022.

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting January 01, 2022.

Notes to the Financial Statements

for the year ended December 31, 2021

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (V) for accounting policy on Property, Plant and Equipment.

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT			NET CARRYING VALUE	
	As at January 01, 2021	Additions	Disposals/ Adjustments	As at December 31, 2021	As at January 01, 2021	Depreciation charge for the year	Disposals/ Adjustments	As at December 31, 2021	As at January 01, 2021	Transfer from Capital work in progress (Refer Note - 3 below)	As at December 31, 2021	As at December 31, 2021	As at December 31, 2020
Tangible Assets													
Freehold Non-Mining Land	138.24	1.03	-	139.27	-	-	-	-	-	-	-	139.27	138.24
Freehold Mining Land	343.92	7.91	-	351.83	1.26	0.23	-	1.49	-	-	-	350.34	342.66
Buildings	1,765.08	112.69	6.94	1,870.83	363.42	80.27	2.88	440.81	29.27	4.11	33.38	1,396.64	1,372.39
Plant and Equipment	6,870.76	487.77	45.74	7,312.79	2,367.59	439.40	23.52	2,783.47	116.75	10.52	127.27	4,402.05	4,386.42
Railway Sidings	272.62	8.55	-	281.17	96.87	21.65	-	118.52	1.43	-	1.43	161.22	174.32
Furniture and Fixtures	33.22	1.35	0.29	34.28	18.22	2.96	0.22	20.96	0.27	0.03	0.30	13.02	14.73
Vehicles	94.88	6.23	1.09	100.02	47.85	10.59	0.87	57.57	10.14	-	10.14	32.31	36.89
Office equipment	70.40	17.78	3.73	84.45	52.61	11.41	3.67	60.35	0.53	-	0.53	23.57	17.26
Total	**9,589.12**	**643.31**	**57.79**	**10,174.64**	**2,947.82**	**566.51**	**31.16**	**3,483.17**	**158.39**	**14.66**	**173.05**	**6,518.42**	**6,482.91**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at January 01, 2020	Additions	Disposals/ Adjustments	As at December 31, 2020	As at January 01, 2020	Depreciation charge for the year	Impairment losses recognised in the year (Refer Note – 3 below)	Disposals/ Adjustments	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Tangible Assets											
Freehold Non-Mining Land	134.40	3.84	-	138.24	-	-	-	-	-	138.24	134.40
Freehold Mining Land	340.30	3.62	-	343.92	1.04	0.22	-	-	1.26	342.66	339.26
Leasehold Land (Refer Note – 4 below)	39.47	-	39.47	-	1.86	-	-	1.86	-	-	37.61
Buildings	1,710.83	64.05	9.80	1,765.08	288.21	82.63	29.27	7.42	392.69	1,372.39	1,422.62
Plant and Equipment	6,684.47	231.05	44.76	6,870.76	1,926.79	476.68	116.75	35.88	2,484.34	4,386.42	4,757.68
Railway Sidings	256.16	16.46	-	272.62	75.15	21.72	1.43	-	98.30	174.32	181.01
Furniture and Fixtures	28.86	4.88	0.52	33.22	15.51	3.11	0.27	0.40	18.49	14.73	13.35
Vehicles	88.22	8.44	1.78	94.88	37.90	10.79	10.14	0.84	57.99	36.89	50.32
Office equipment	65.72	5.67	0.99	70.40	44.69	8.88	0.53	0.96	53.14	17.26	21.03
Total	**9,348.43**	**338.01**	**97.32**	**9,589.12**	**2,391.15**	**604.03**	**158.39**	**47.36**	**3,106.21**	**6,482.91**	**6,957.28**

Notes to the Financial Statements

for the year ended December 31, 2021

Notes:

1. Buildings include cost of shares ₹12,050 *(Previous year – ₹34,600)* in various Co-operative Housing Societies, in respect of 8 *(Previous year – 17)* residential flats.

2. a) The Company is in the process of obtaining the title deeds of Freehold mining land of ₹131.53 Crore *(Previous year – ₹131.53 Crore*) and Building amounting to net block of ₹4.39 core *(Previous year – ₹ NIL)* which is included in Property, Plant and Equipment.

   b) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except for 1 case of leasehold land (under ROU assets) amounting to net block of ₹1.98 Crore *(Previous year – ₹2.04 Crore)*, 2 cases of freehold land amounting to net block of ₹1.37 Crore *(Previous year – ₹1.37 Crore)* and 2 cases of Buildings amounting to net block of ₹12.11 Crore (*Previous year – ₹11.18 Crore)* respectively as at December 31, 2021 for which title deeds are in the name of the erstwhile Company that merged with the Company.

3. During the previous year, considering lower profitability due to higher input cost, the Company had suspended part of it's operations at Madukkarai plant. The Company carried out a review of the recoverable amount of the tangible assets and capital work in progress used in the cement manufacturing facility at Madukkarai. The recoverable amount from such tangible assets and capital work in progress at Madukkarai plant was assessed to be lower than it's total carrying amount and consequently an impairment loss of ₹176.01 Crore (including Capital work in progress ₹17.62 Crore) was recognised and disclosed as an exceptional item. The discount rate used in measuring recoverable value was 10.64 per cent per annum. The future cash flows are derived from the detailed budgets and forecast for the next three years. Steady growth rate of 4 per cent per annum is applied beyond the forecast period. There is no change on re-assessment in the current year.

   In the current year out of the total impairment charge of ₹17.62 Crore on Capital work in progress, provision of ₹14.66 Crore has been transferred to tangible assets on capitalisation.

4. Upon introduction of Ind AS 116 Leases effective January 01, 2020, all Finance Lease assets identified under the earlier Ind AS 17 Leases, were reclassified to Right of use assets.

5. Capital work-in-progress as at December 31, 2021 is ₹1,240.75 Crore *(Previous year – ₹545.30 Crore)* comprises of expansions projects and others various projects.

   Major Capital Work-in-Progress are related to following projects:

   ₹ Crore

Project	2021	2020
Greenfield integrated cement plant in Ametha	433.26	65.14
Expansion of the existing grinding unit in Tikaria	253.26	10.63
Expansion of the existing grinding unit in Sindri	-	168.36
Waste Heat Recovery System (WHRS)	128.17	38.08
Efficiency improvement and maintaining operating capacity	426.05	263.10
Total	**1,240.74**	**545.31**

   There are no projects where activity has been suspended.

   Refer Note – 48 for the amount of expenditures recognised in the carrying amount of Property, Plant and Equipment/ Capital work-in-progress (CWIP) in the course of its construction.

6. Depreciation charge for the year include ₹0.07 Crore *(Previous year – ₹ Nil)* capitalised as pre-operative expenses (Refer Note – 48).

7. For contractual commitment with respect to Property, Plant and Equipment, Refer Note – 39.

NOTE 3: OTHER INTANGIBLE ASSETS

Refer Note 1 (VI) for accounting policy on Intangible Assets.

₹ Crore

Particulars	GROSS CARRYING VALUE: As at January 01, 2021	Additions	Disposals	As at December 31, 2021	ACCUMULATED AMORTISATION: As at January 01, 2021	Amortisation charge for the year	Disposals	As at December 31, 2021	NET CARRYING VALUE: As at December 31, 2021	As at December 31, 2020
Intangible Assets										
Computer Software	3.76	2.59	0.03	6.32	2.73	1.31	0.03	4.01	2.31	1.03
Mining Rights	60.65	6.61	-	67.26	15.88	3.92	-	19.80	47.46	44.77
Total	**64.41**	**9.20**	**0.03**	**73.58**	**18.61**	**5.23**	**0.03**	**23.81**	**49.77**	**45.80**

₹ Crore

Particulars	GROSS CARRYING VALUE: As at January 01, 2020	Additions	Disposals	As at December 31, 2020	ACCUMULATED AMORTISATION: As at January 01, 2020	Amortisation charge for the year	Disposals	As at December 31, 2020	NET CARRYING VALUE: As at December 31, 2020	As at December 31, 2019
Intangible Assets										
Computer Software	2.74	1.02	-	3.76	2.54	0.19	-	2.73	1.03	0.20
Mining Rights	46.06	14.59	-	60.65	12.17	3.71	-	15.88	44.77	33.89
Total	**48.80**	**15.61**	**-**	**64.41**	**14.71**	**3.90**	**-**	**18.61**	**45.80**	**34.09**

NOTE 4: RIGHT OF USE ASSETS

Refer Note 1 (XXI) for accounting policy on Leases.

₹ Crore

Particulars	GROSS CARRYING VALUE: As at January 01, 2021	Additions	Disposals	As at December 31, 2021	ACCUMULATED DEPRECIATION: As at January 01, 2021	Depreciation charge for the year	Disposals	As at December 31, 2021	NET CARRYING VALUE: As at December 31, 2021	As at December 31, 2020
Land	111.02	31.01	2.18	139.85	13.96	13.34	2.18	25.12	114.73	97.06
Buildings	4.95	-	1.06	3.89	1.46	0.70	1.06	1.10	2.79	3.49
Plant and Equipment	39.35	20.36	4.03	55.68	10.29	11.41	2.99	18.71	36.97	29.06
Vehicles	0.44	-	-	0.44	0.16	0.16	-	0.32	0.12	0.28
Total	**155.76**	**51.37**	**7.27**	**199.86**	**25.87**	**25.61**	**6.23**	**45.25**	**154.61**	**129.89**

₹ Crore

Particulars	GROSS CARRYING VALUE: As at January 01, 2020	Reclassified on account of Ind AS 116	Additions	Disposals	As at December 31, 2020	ACCUMULATED DEPRECIATION: As at January 01, 2020	Reclassified on account of Ind AS 116	Depreciation charge for the year	Disposals	As at December 31, 2020	NET CARRYING VALUE: As at December 31, 2020	As at December 31, 2019
Land	69.69	39.47	6.93	5.07	111.02	-	1.86	12.95	0.85	13.96	97.06	-
Buildings	5.03	-	-	0.08	4.95	-	-	1.46	-	1.46	3.49	-
Plant and Equipment	56.45	-	1.27	18.37	39.35	-	-	12.80	2.51	10.29	29.06	-
Vehicles	0.44	-	-	-	0.44	-	-	0.16	-	0.16	0.28	-
Total	**131.61**	**39.47**	**8.20**	**23.52**	**155.76**	**-**	**1.86**	**27.37**	**3.36**	**25.87**	**129.89**	**-**

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 5: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (MEASURED AT COST)

Refer Note 1 (XII) for accounting policy on Investment in subsidiaries, associates and joint ventures.

	As at December 31, 2021		As at December 31, 2020	
	Numbers	₹ Crore	Numbers	₹ Crore
Investment in Unquoted equity instruments				
Investment in subsidiaries				
Face value ₹10 each fully paid				
Bulk Cement Corporation (India) Limited (94.65% shareholding)	3,18,42,050	37.27	3,18,42,050	37.27
Singhania Minerals Private Limited (100% shareholding)	5,20,000	5.50	5,20,000	5.50
Face value ₹100 each fully paid				
Lucky Minmat Limited (100% shareholding)	3,25,000	38.10	3,25,000	38.10
Less: Impairment		38.10		-
{Refer Note – 45 (i)}		-		**38.10**
ACC Mineral Resources Limited (100% shareholding)	1,21,95,000	106.80	1,21,95,000	106.80
Less: Accumulated impairment		42.81		42.81
{Refer Note – 45 (ii)}		**63.99**		**63.99**
Investment in Associates				
Face value ₹10 each fully paid				
Alcon Cement Company Private Limited (40% shareholding)	4,08,001	22.25	4,08,001	22.25
Asian Concretes and Cements Private Limited (45% shareholding)	81,00,000	36.81	81,00,000	36.81
Investment in Joint Ventures				
Face value ₹10 each fully paid				
Aakaash Manufacturing Company Private Limited (40% shareholding)	4,401	6.01	4,401	6.01
OneIndia BSC Private Limited (50% shareholding) {Refer Note – 45 (iii)}	25,01,000	2.50	25,01,000	2.50
Total		**174.33**		**212.43**

Notes:

		2021	2020
(I)	Aggregate amount of unquoted Investments	174.33	212.43
(II)	Aggregate amount of impairment in value of investments in unquoted equity shares	80.91	42.81

(III) Each of the above Companies is incorporated in India and Principal activities are Cement and cement related products and services.

NOTE 6: NON-CURRENT – INVESTMENTS

Refer Note 1 (X) for accounting policy on Investments.

	As at December 31, 2021			As at December 31, 2020	
	Numbers		₹ Crore	Numbers	₹ Crore
Investment at fair value through profit or loss (FVTPL)					
Investment in equity instruments (fully paid)					
Unquoted					
Face value ₹10 each fully paid					
Solbridge Energy Private Limited (Refer Note – II below)	80,23,803	10.20		-	-
Amplus Green Power Private Limited (Refer Note – III below)	25,78,592	4.50		25,78,592	4.50
Kanoria Sugar & General Mfg. Company Limited*	4	-		4	-
Gujarat Composites Limited*	60	-		60	-
Rohtas Industries Limited*	220	-		220	-
The Jaipur Udyog Limited*	120	-		120	-
Digvijay Finlease Limited*	90	-		90	-

Notes to the Financial Statements
for the year ended December 31, 2021

	As at December 31, 2021			As at December 31, 2020	
	Numbers		₹ Crore	Numbers	₹ Crore
The Travancore Cement Company Limited*	100	-		100	-
Ashoka Cement Limited*	50	-		50	-
Face value ₹5 each fully paid					
The Sone Valley Portland Cement Company Limited*	100	-		100	-
Investment at amortised cost			**14.70**		**4.50**
Investment in Unquoted bonds					
Face value ₹1,000,000 each fully paid					
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	3.70	37	3.70
Total			**18.40**		**8.20**

Notes:

(I) Aggregate value of unquoted investments. 18.40 8.20

(II) During the year, the Company has subscribed 80,23,803 equity shares in Solbridge Energy Private Limited (SEPL) representing 19.06% holding for a total consideration of ₹10.20 Crore. The SEPL has set up a solar power plant in the State of Chhattisgarh of which the Company's Jamul plant would be one of the consumers.

(III) During the previous year, the Company subscribed 25,78,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹4.50 Crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Tikaria plant is one of the consumers.

(IV) *Each of such investments is carried at value less than ₹50,000.

Refer Note 49 for information about fair value measurement and Note 50 for credit risk and market risk of investments.

NOTE 7: NON-CURRENT LOANS

Considered good – unsecured

Refer Note 1 (X) for accounting policy on Loans.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Loans to Employees	6.08	7.59
Total	**6.08**	**7.59**

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

Refer Note 50 for information about credit risk and market risk of loans.

NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (X) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Incentives under Government schemes (Net) {Refer Note – 50(i)}	717.09	606.56
Security deposits	149.92	121.76
Bank deposits with more than 12 months maturity*	31.60	30.84
Margin money deposit with more than 12 months maturity**	14.53	8.25
Total	**913.14**	**767.41**

*Lodged as security with government authorities of ₹31.44 Crore *(Previous year – ₹30.58 Crore)*.

**Margin money deposit is against bank guarantees given to Government authorities.

Refer Note 50 for information about credit risk and market risk of other financial assets.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 9: OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Capital Advances	288.76	348.56
Advance other than Capital Advances		
Claim receivables from Government and Others		
Unsecured, considered good	30.07	14.24
Considered doubtful	4.21	4.21
Less: Allowance for doubtful deposits	(4.21)	(4.21)
	30.07	**14.24**
Deposits with Government Bodies and Others		
Unsecured, considered good	276.12	291.06
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	276.12	**291.06**
Total	**594.95**	**653.86**

NOTE 10: INVENTORIES

At lower of cost and net realisable value.

Refer Note 1 (IX) for accounting policy on Inventories.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Raw Materials {Including goods-in-transit ₹9.09 Crore *(Previous year – ₹2.70 Crore)*}	165.56	115.54
Work-in-Progress	302.98	147.84
Finished Goods	129.19	111.74
Stock-in-trade {Including goods-in-transit ₹ Nil *(Previous year – ₹4.37 Crore)*}	16.14	14.48
Stores and Spares {Including goods-in-transit ₹12.70 Crore *(Previous year – ₹13.99 Crore)*}	213.72	248.94
Packing Materials	40.42	24.07
Fuels {Including goods-in-transit ₹100.05 Crore *(Previous year – ₹10.69 Crore)*}	405.30	237.86
Total	**1,273.31**	**900.47**

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 ₹6.85 Crore *(Previous year – ₹7.96 Crore)*. There has been no reversal of such write down in current and previous year.

NOTE 11: TRADE RECEIVABLES

Refer Note 1 (X) for accounting policy on Trade receivables.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Considered good – Secured	21.53	35.95
Considered good – Unsecured*	467.65	415.58
Receivables which have significant increase in credit risk {Refer Note 50(i)}	55.29	67.29
	544.47	**518.82**
Less : Allowance for doubtful receivables	(55.29)	(67.29)
Total	**489.18**	**451.53**

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

*Refer Note 42 for receivables from related parties.

Refer Note 50 for information about credit risk of trade receivables.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 12: CASH AND CASH EQUIVALENTS
Refer Note 1 (XXIII) for accounting policy on Cash and Cash Equivalents.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Balances with banks:		
In current accounts	144.65	139.92
Deposits with original maturity of less than three months	6,507.35	4,764.90
	6,652.00	**4,904.82**
Deposit with other than banks with original maturity of less than three months	250.00	250.00
Post office saving accounts	0.01	0.01
	6,902.01	**5,154.83**
Investments in liquid mutual funds measured at FVTPL	345.23	580.09
Total	**7,247.24**	**5,734.92**

As at December 31, 2021, the Company has sanctioned and available undrawn borrowing facilities of ₹130.80 Crore *(Previous year – ₹130.80 Crore)*. There are no restrictions on the use of these facilities. The amount of undrawn borrowing facilities are available for future operating activities and to settle capital commitments.

NOTE 13: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS
Refer Note 1 (X) for accounting policy on Bank balances other than Cash and Cash Equivalents.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	131.83	127.68
**Margin money deposits with original maturity for more than 3 months but less than 12 months	1.31	-
# On unpaid dividend accounts	23.80	28.49
Total	**156.94**	**156.17**

Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) of ₹131.83 Crore {(Previous year – ₹127.68 Crore)* – Refer Note – 40 (A) (a)}.

**Margin money deposit is against bank guarantees given to Government authorities.

#These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

NOTE 14: CURRENT – LOANS
Considered good – unsecured

Refer Note 1 (X) for accounting policy on Loans.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Loans and advances to related parties (Refer Note – 42)	0.86	0.82
Loans to Employees	6.60	5.86
Total	**7.46**	**6.68**

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

Refer Note 50 for information about credit risk and market risk of loans.

NOTE 15: OTHER CURRENT FINANCIAL ASSETS
Refer Note 1 (X) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Incentives under Government schemes	187.66	256.58
Security deposits	57.74	53.12
Interest Accrued on Investments	13.30	8.08
Other Accrued Interest	1.35	1.61
Total	**260.05**	**319.39**

Refer Note 50 for information about credit risk and market risk of other financial assets.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 16: OTHER CURRENT ASSETS
Unsecured, Considered Good

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Advances other than capital advances		
Advance to suppliers	326.87	259.27
Prepaid expenses	46.32	54.94
Other receivables		
Balances with statutory/government authorities	422.34	357.52
Others	14.41	15.44
Total	**809.94**	**687.17**

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

NOTE 17: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE
Refer Note 1 (XVIII) for accounting policy on Non-current assets held for sale.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Plant and equipment	1.28	1.76
Building	1.05	1.15
Total	**2.33**	**2.91**

(I) The Company intends to dispose off plant and equipment and Building in the next 12 months which it no longer intends to utilise. A selection of potential buyers is underway.

(II) During the year, the Company sold a flat for ₹4.25 Crore (Book Value ₹0.32 Crore) which was classified as held for sale. The resultant gain of ₹3.93 Crore has been disclosed in statement of profit and loss under Other Income.

NOTE 18: EQUITY SHARE CAPITAL

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Authorised		
22,50,00,000 *(Previous year – 22,50,00,000)* Equity shares of ₹10 each	225.00	225.00
10,00,00,000 *(Previous year – 10,00,00,000)* Preference shares of ₹10 each	100.00	100.00
Issued		
18,87,93,243 *(Previous year – 18,87,93,243)* Equity shares of ₹10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 *(Previous year – 18,77,87,263)* Equity shares of ₹10 each fully paid	187.79	187.79
Add: 3,84,060 *(Previous year – 3,84,060)* Equity shares of ₹10 each forfeited – amount originally paid	0.20	0.20
Total	**187.99**	**187.99**

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	₹ Crore
As at January 01, 2020	18,77,87,263	187.79
Increase/(decrease) during the year	-	-
As at December 31, 2020	18,77,87,263	**187.79**
Increase/(decrease) during the year	-	-
As at December 31, 2021	**18,77,87,263**	**187.79**

ii) Terms/rights attached to equity shares
The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Notes to the Financial Statements

for the year ended December 31, 2021

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

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

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Ambuja Cements Limited, the holding company		
9,39,84,120 *(Previous year – 9,39,84,120)* Equity shares ₹10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited	8.41	8.41
84,11,000 *(Previous year – 84,11,000)* equity shares ₹10 each fully paid		

Companies referred above are subsidiaries of Holcim Ltd, (Erstwhile LafargeHolcim), Switzerland, the ultimate holding company.

iv) Details of shareholders holding more than 5% shares in the Company

	As at December 31, 2021		As at December 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	9,39,84,120	50.05
Life Insurance Corporation of India	1,08,27,402	5.77	95,03,365	5.06

v) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

NOTE 19: OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Capital Reserve	67.81	67.81
Securities Premium	845.03	845.03
General Reserve	2,723.30	2,723.30
Capital contribution from parent	7.47	3.29
Retained earnings	10,396.83	8,834.02
Total	14,040.44	12,473.45

The description of the nature and purpose of each reserve within equity is as follows:

Capital Reserve: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Company.

Capital Contribution from parent: Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by the parent company "Holcim Ltd" to the executives and senior management of the Company.

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

Notes to the Financial Statements

for the year ended December 31, 2021

NOTE 20: NON-CURRENT FINANCIAL LIABILITY

Refer Note 1 (XXI) for accounting policy on Leases.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Lease liabilities (Refer Note – 38)	101.37	83.98
	101.37	83.98

NOTE 21: NON-CURRENT PROVISIONS

Refer Note 1 (XVII) for accounting policy on Employee benefits.

Refer Note 1 (XIV) for accounting policy on Site restoration provisions.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 37)	94.65	102.35
Provision for provident fund (Refer Note – 37)	76.94	66.31
Provision for long service award	4.94	5.77
Other Provisions		
Provision for Site Restoration (Refer Note – 21.1 below)	37.77	39.14
Total	214.30	213.57

Note 21.1 - Movement of provisions during the year as required by Ind AS – 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Opening Balance	39.14	32.47
Provision/(reversal) during the year (net)	(1.57)	5.24
Utilised during the year	(1.37)	(0.03)
Unwinding of discount	1.57	1.46
Closing Balance	37.77	39.14

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 22: INCOME TAX

Refer Note 1 (XX) for accounting policy on Taxation.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2021:

	For the year ended December 31, 2021		For the quarter ended March 31, 2020		For the nine months ended December 31, 2020		For the year ended December 31, 2020	
	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %
Profit before tax	2,460.39		472.83		1,214.95		1,687.78	
At India's statutory income tax rate (Refer Note (a) below)	619.28	25.17%	165.21	34.94%	305.80	25.17%	471.01	27.91%
Effect of Allowances for tax purpose								
Tax Holiday claim under Section 80-IA (Up to March 31, 2020)	-	-	(15.73)	(3.34%)	-	-	(15.73)	(0.94%)
Inter corporate dividends Section 80M	(0.39)	(0.02%)	-	-	(0.07)	(0.01%)	(0.07)	(0.01%)
Effect of Non-Deductible expenses								
Corporate social responsibility expenses	9.05	0.37%	2.39	0.51%	6.41	0.54%	8.80	0.52%
Others	12.18	0.50%	1.02	0.22%	0.30	0.02%	1.32	0.08%
	20.84	**0.85%**	**(12.32)**	**(2.61%)**	**6.64**	**0.55%**	**(5.68)**	**(0.35%)**
At the effective income tax rate	**640.12**	**26.02%**	**152.89**	**32.33%**	**312.44**	**25.72%**	**465.33**	**27.56%**
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	-	-	-	-	(189.61)	(15.61%)	(189.61)	(11.23%)
Effect of change in tax rate on deferred tax for the period January 01 to March 31, 2020	-	-	-	-	(2.88)	(0.24%)	(2.88)	(0.17%)
Income tax expense reported in the statement of profit and loss	**640.12**	**26.02%**	**152.89**	**32.33%**	**119.95**	**9.87%**	**272.84**	**16.16%**

Notes:

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

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 April 01, 2019, subject to certain conditions. During the previous year ended December 31, 2020, The Company has adopted the option of reduced rate and accordingly, opening net deferred tax liability as on January 01, 2020 amounting to ₹179.57 Crore was reversed (net of reversal of deferred tax assets of ₹10.04 Crore in Other Comprehensive Income).

Notes to the Financial Statements
for the year ended December 31, 2021

Deferred tax:

Deferred tax relates to the following:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Deferred Tax Liabilities:		
Depreciation and amortisation differences	622.98	622.74
	622.98	**622.74**
Deferred Tax Assets:		
Provision for employee benefits	47.77	48.25
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	62.16	70.69
Allowance for obsolescence of Stores and Spares	7.12	7.12
Allowance for doubtful receivables and other assets	16.92	19.20
Right of use assets and lease liabilities differences	2.64	3.03
Expected credit loss on incentives receivable from government	32.45	32.45
Other temporary differences	71.18	65.80
	240.24	**246.54**
Net deferred tax liabilities	**382.74**	**376.20**

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

₹ Crore

	Net Balance as on January 01, 2021	Recognised in statement of Profit and Loss	Recognised in OCI	Net Balance as on December 31, 2021
Deferred Tax Liabilities:				
Depreciation and amortisation differences	622.74	0.24	-	622.98
	622.74	**0.24**	**-**	**622.98**
Deferred Tax Assets:				
Provision for employee benefits	48.25	1.35	(1.83)	47.77
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	70.69	(8.53)	-	62.16
Allowance for obsolescence of Stores and Spares	7.12	-	-	7.12
Allowance for doubtful receivables and other assets	19.20	(2.28)	-	16.92
Right of use assets and lease liabilities differences	3.03	(0.39)	-	2.64
Expected credit loss on incentives receivable from government	32.45	-	-	32.45
Other temporary differences	65.80	5.38	-	71.18
	246.54	**(4.47)**	**(1.83)**	**240.24**
Net deferred tax liabilities	**376.20**	**4.71**	**1.83**	**382.74**

₹ Crore

	Net Balance as on January 01, 2020	Recognised in statement of Profit and Loss	Recognised in OCI	Net Balance as on December 31, 2020
Deferred Tax Liabilities:				
Depreciation and amortisation differences	933.33	(310.59)	-	622.74
	933.33	**(310.59)**	**-**	**622.74**
Deferred Tax Assets:				
Provision for employee benefits	73.68	(16.90)	(8.53)	48.25
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	98.71	(28.02)	-	70.69
Allowance for obsolescence of Stores and Spares	9.88	(2.76)	-	7.12
Allowance for doubtful receivables and other assets	17.51	1.69	-	19.20
Right of use assets and lease liabilities differences	-	3.03	-	3.03
Expected credit loss on incentives receivable from government	-	32.45	-	32.45
Other temporary differences	91.34	(25.54)	-	65.80
	291.12	**(36.05)**	**(8.53)**	**246.54**
Net deferred tax liabilities	**642.21**	**(274.54)**	**8.53**	**376.20**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (X) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Financial Liabilities at amortised cost		
Interest accrued	13.33	13.89
Unpaid dividends*	23.80	28.49
Security deposits and retention money	792.37	801.26
Liability for capital expenditure	135.07	34.87
Provision for employees	137.18	128.55
Others	25.45	-
Financial Liabilities at fair value		
Foreign currency forward contract	-	0.28
Total	**1,127.20**	**1,007.34**

*Investor Education and Protection Fund ('IEPF') - As at December 31, 2021, there is no amount due and outstanding to be transferred to the 'IEPF' by the Company. Unclaimed dividend, if any, shall be transferred to 'IEPF' as and when they become due.

NOTE 24: OTHER CURRENT LIABILITIES

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Contract Liability*		
Advance from customers	252.32	148.18
Other Liability		
Statutory dues payable	675.15	575.14
Rebates to customers	592.68	521.56
Other payables (including interest on income tax, etc.)	739.42	748.22
Total	**2,259.57**	**1,993.10**

*The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2021.

NOTE 25: CURRENT PROVISIONS

Refer Note 1 (XVII) for accounting policy on Employee benefits.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 37)	11.59	7.49
Provision for compensated absences	3.18	7.48
Provision for long service award	0.93	0.90
Total	**15.70**	**15.87**

NOTE 26: REVENUE FROM OPERATIONS

Refer Note 1 (XVI) for accounting policy on Revenue recognition.

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue from contracts with customers		
Sale of Manufactured products	14,724.78	12,676.52
Sale of Traded products	1,086.28	806.96
Income from services rendered	3.34	3.35
	15,814.40	**13,486.83**
Other Operating Revenue		
Provision no longer required written back	7.33	5.80
Scrap Sales	56.61	23.21
Government grants*	154.74	159.94
Miscellaneous Income (including insurance claim, other services, etc.)	118.27	108.76
Total	**16,151.35**	**13,784.54**

*Government grants have been accrued for the GST refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

Notes to the Financial Statements
for the year ended December 31, 2021

Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue as per Contract price	18,226.76	15,263.40
Less: Discounts and incentives	(2,412.36)	(1,776.57)
Revenue as per Statement of Profit and Loss	**15,814.40**	**13,486.83**

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.

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

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein performance obligation is unsatisfied to which transaction price has been allocated.

Disaggregation of revenue:

Refer Note 43 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 contract with customers.

NOTE 27: OTHER INCOME

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income using the effective interest rate method		
Interest on bank deposits	175.75	177.15
Interest on Income Tax	12.68	-
Other interest income	3.84	5.28
	192.27	**182.43**
Dividend from non-current investments from associate/joint venture	1.56	0.29
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	8.41	14.82
Net gain on fair valuation of current financial assets measured at FVTPL*	0.23	0.12
Gain on sale of investment in Subsidiary Company (Refer Note – 54)	-	3.94
Net gain on disposal of Property, Plant and Equipment	1.68	-
Gain on termination of leases	0.61	2.38
Total	**204.76**	**203.98**

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

NOTE 28: COST OF MATERIALS CONSUMED

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Inventories at the beginning of the year	115.54	117.44
Add: Purchases	2,170.30	1,671.19
	2,285.84	**1,788.63**
Less: Inventories at the end of the year	165.56	115.54
Total	**2,120.28**	**1,673.09**

Details of cost of materials consumed

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Slag	358.50	262.08
Gypsum	275.08	258.24
Fly Ash	447.87	332.03
Cement for Ready-Mix Concrete	149.93	109.84
Aggregates	224.39	170.75
Others*	664.51	540.15
Total	**2,120.28**	**1,673.09**

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

Notes to the Financial Statements

for the year ended December 31, 2021

NOTE 29: PURCHASES OF STOCK-IN-TRADE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cement	911.71	690.26
Ready-Mix Concrete	2.84	1.88
Other Products	6.64	4.75
Total	921.19	696.89

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Inventories at the end of the year		
Stock-in-Trade	16.14	14.48
Finished Goods	129.19	111.74
Work-in-progress	302.98	147.84
	448.31	**274.06**
Inventories at the beginning of the year		
Stock-in-Trade	14.48	7.90
Finished Goods	111.74	230.96
Work -in-progress	147.84	177.61
	274.06	**416.47**
Total	(174.25)	142.41

NOTE 31: EMPLOYEE BENEFITS EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Salaries and Wages (Refer Note – 48)	719.75	738.31
Contributions to Provident and other Funds	66.29	63.43
Employee share-based payments (Refer Note – 53)	4.18	2.66
Staff welfare expenses	43.80	34.67
Total	834.02	839.07

NOTE 32: FREIGHT AND FORWARDING EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
On Clinker transfer	584.33	489.83
On finished and Semi-finished products	3,260.38	2,941.98
Total	3,844.71	3,431.81

NOTE 33: FINANCE COSTS

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest		
- On Income tax	3.67	4.76
- On Defined benefit obligation (Net) - (Refer Note – 37)	8.95	13.76
- Interest on deposits from dealers	16.19	17.14
- Interest on Lease Liabilities*	9.37	9.80
- Others	14.88	10.12
Unwinding of discount on site restoration provision (Refer Note – 21.1)	1.57	1.46
	54.63	57.04

* Subsequent to introduction of Ind AS 116 Leases, the Company has recognised Long-term leases as ROU Assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

Notes to the Financial Statements

for the year ended December 31, 2021

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Depreciation on Property, Plant and Equipment	566.44	604.03
Amortisation of intangible assets	5.23	3.90
Depreciation on Right of use assets	25.61	27.37
Total	597.28	635.30

NOTE 35: OTHER EXPENSES

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Consumption of stores and spare parts	277.26	224.77
Consumption of packing materials	552.03	386.26
Rent*	107.26	75.59
Rates and taxes (Refer Note – 48)	96.75	76.94
Repairs	155.29	126.25
Insurance	39.10	25.51
Royalties on minerals	264.33	240.05
Advertisement	86.37	56.58
Technology and Know-how fees (Refer Note – 42)	154.51	132.79
Expected credit loss on Incentives under Government schemes {Refer Note – 50(i)}	-	128.92
Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note – 50(i))}	(10.87)	37.34
Corporate Social Responsibility expense (Refer Note 2 below)	35.95	32.33
Miscellaneous expenses (Refer Note – 48 and 1 below)	510.67	534.43
Total	2,268.65	2,077.76

* Includes impact of Ind AS 116 – Leases (Refer Note – 38).

Notes:

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

   (ii) Miscellaneous expenses includes Commission on sales, Information technology services, Travelling expenses, Other third party services, etc.

   (iii) Miscellaneous expenses includes Loss on sale/write-off of Property, Plant and Equipment (net) of ₹ Nil *(Previous year – ₹10.96 Crore)*.

   (iv) Miscellaneous expenses includes net loss of ₹3.20 Crore *(Previous year – ₹1.74 Crore)* on foreign currency transaction and translation.

   (v) Miscellaneous expenses includes net Loss of ₹1.29 Crore *(Previous year – ₹0.59 Crore)* on foreign currency forward contract.

   (vi) Payments to Statutory Auditors (excluding applicable taxes).

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
As auditors		
Audit fees	1.68	1.68
Audit fees for financial statements for tax filing purposes	0.45	0.45
Limited Reviews	1.05	1.05
In other capacity		
Fees for other services	0.05	0.01
Reimbursement of expenses	0.02	0.02
	3.25	3.21

2. Details of Corporate Social Responsibility expenses:

   The Company has spent ₹35.95 Crore *(Previous year – ₹32.33 Crore)* towards various schemes of Corporate Social Responsibility. The details are:

(a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹35.44 Crore *(Previous year – ₹31.52 Crore)* i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

(b) No amount has been spent on construction/acquisition of an asset of the Company.

(c) Details of excess amount spent under Section 135(5) of the Companies Act, 2013.

₹ Crore

Balance excess spent as at January 01, 2021	Amount required to be spent during the year	Amount spent during the year	CSR expenses claimed in the current year	Balance excess spent as at December 31, 2021
-	35.44	35.95	35.95	-

NOTE 36: EARNINGS PER SHARE – [EPS]

Refer Note 1 (xxv) for Earnings Per Share.

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
Profit attributable to equity shareholders (as per Statement of Profit and Loss)		1,820.27	1,414.94
Weighted average number of equity shares for Earnings Per Share computation			
Number of shares for Basic Earnings Per Share		18,77,87,263	18,77,87,263
Effect of dilution:			
Number of shares held in abeyance		5,06,656	4,55,369
(Movement in number of shares is on account of change in average fair value of share)			
Weighted average number of Equity shares adjusted for the effect of dilution		18,82,93,919	18,82,42,632
Earnings Per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	96.93	75.35
Diluted	₹	96.67	75.17

NOTE 37: EMPLOYEE BENEFITS

Refer Note 1 (XVII) for accounting policy on Employee benefits

a) **Defined Contribution Plans –** Amount recognised and included in Note 31 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹15.10 Crore *(Previous year – ₹15.97 Crore)*.

b) **Defined Benefit Plans –** As per actuarial valuation on December 31, 2021.

The Company has defined benefit gratuity, additional gratuity and Trust managed provident fund plan.

i. The Company operates a Gratuity Plan through a trust for all its employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded. This plan was discontinued with effect from April 30, 2020 for all the eligible employees of management category and benefits accrued was disbursed to the employees.

iii. Post Employment Medical Benefit plans – This plan was discontinued with effect from July 01, 2020.

iv. Refer Note – (c) for Provident fund scheme.

Notes to the Financial Statements
for the year ended December 31, 2021

Governance and Investment Strategy

The gratuity and provident fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The trust has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Each year, the Board of Trustees and the Company review the level of funding. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.

Every year an Asset-Liability – Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, takes appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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

Interest risk – A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

Salary risk – The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined Benefit Plans as per Actuarial valuation on December 31, 2021

₹ Crore

	Particulars	Gratuity (Including additional gratuity) Funded	Gratuity (Including additional gratuity) Non Funded	Post employment medical benefits (PEMB)
I.	Expense recognised in the Statement of Profit and Loss – for the year ended December 31, 2021			
	Components recognised in the Statement of Profit and Loss			
1	Current service cost	16.05	8.93	-
		15.16	*8.84*	-
2	Net Interest cost	0.48	6.16	-
		2.01	*7.39*	*0.60*
3	Loss on Curtailments	-	-	-
		-	*1.48*	-
4	Gain on settlements	-	(10.34)	-
		-	-	*(9.31)*
5	Net benefit expense	16.53	4.75	-
		17.17	*17.71*	*(8.71)*
	Components recognised in other comprehensive income (OCI)			
6	Actuarial (gains)/losses arising from change in financial assumptions	(7.53)	(3.83)	-
		7.86	*4.58*	-
7	Actuarial (gains)/losses arising from change in experience adjustments	(2.01)	2.18	-
		(0.01)	*(6.04)*	*(0.43)*
8	Actuarial (gains)/losses arising from change in demographic assumptions	-	-	-
		(0.29)	-	-
9	(Gain)/Loss on plan assets (Excluding amount included in net interest expenses)	(0.40)	-	-
		(4.12)	-	-
10	Sub-total – Included in OCI	(9.94)	(1.65)	-
		3.44	*(1.46)*	*(0.43)*

₹ Crore

Particulars	Gratuity (Including additional gratuity) Funded	Gratuity (Including additional gratuity) Non Funded	Post employment medical benefits (PEMB)
11 Total expense (5 + 10)	6.59	3.10	-
	20.61	*16.25*	*(9.14)*
II. Amount recognised in Balance Sheet			
1 Present value of Defined Benefit Obligation	(207.94)	(94.22)	-
	(221.90)	*(102.23)*	-
2 Fair value of plan assets	195.92	-	-
	214.29	-	-
3 Funded status {Surplus/(Deficit)}	(12.02)	(94.22)	-
	(7.61)	*(102.23)*	-
4 Net asset/(liability) as at December 31, 2021	(12.02)	(94.22)	-
	(7.61)	*(102.23)*	-
III. Present value of Defined Benefit Obligation			
1 Present value of Defined Benefit Obligation at beginning of the year	221.90	102.23	-
	203.75	*113.35*	*9.16*
2 Current service cost	16.05	8.93	-
	15.16	*8.84*	-
3 Interest cost	13.01	6.16	-
	13.05	*7.39*	*0.60*
4 Loss on Curtailments	-	-	-
	-	*1.48*	-
5 (Gain) on settlements	-	(10.34)	-
	-	-	*(9.31)*
5 Actuarial (gains)/losses arising from changes in financial assumptions	(7.53)	(3.83)	-
	7.86	*4.58*	-
6 Actuarial (gains)/losses arising from experience adjustments	(2.01)	2.18	-
	(0.01)	*(6.04)*	*(0.43)*
7 Actuarial (gains)/losses arising from change in demographic assumptions	-	-	-
	(0.29)	-	-
8 Benefits Payments	(33.48)	(11.11)	-
	(17.62)	*(27.37)*	*(0.02)*
9 Present value of Defined Benefit Obligation at the end of the year	207.94	94.22	-
	221.90	*102.23*	-
IV. Fair value of Plan Assets			
1 Plan assets at the beginning of the year	214.29	-	-
	174.13	-	-
2 Interest income	12.53	-	-
	11.04	-	-
3 Contributions by Employer	-	-	-
	25.00	-	-
4 Actual benefits paid	(31.30)	-	-
	-	-	-
5 Actuarial gains/(losses) arising from changes in financial assumptions	0.40	-	-
	4.12	-	-
6 Plan assets at the end of the year	195.92	-	-
	214.29	-	-
V. Weighted Average duration of Defined Benefit Obligation	10 Years	10 Years	NA
	10 Years	*10 Years*	*NA*

(Figures in italics pertain to previous year).

VI. Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2021

₹ Crore

Particulars	Gratuity - Funded Increase	Gratuity - Funded Decrease	Gratuity - Unfunded Increase	Gratuity - Unfunded Decrease
Discount rate (1% movement)	(13.66)	15.59	(6.98)	8.07
Future salary growth (1% movement)	15.40	(13.75)	7.76	(6.86)

Sensitivity Analysis as at December 31, 2020

₹ Crore

Particulars	Gratuity - Funded Increase	Gratuity - Funded Decrease	Gratuity - Unfunded Increase	Gratuity - Unfunded Decrease
Discount rate (1% movement)	(14.58)	17.07	(7.85)	9.11
Future salary growth (1% movement)	16.39	(14.54)	8.07	(7.68)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

VII. The major categories of plan assets as a percentage of total plan (%)

	Gratuity As at December 31, 2021	Gratuity As at December 31, 2020
Debt instruments		
Government securities	70%	63%
Debentures and bonds	26%	32%
Equity shares	2%	3%
Cash and cash equivalents		
Fixed deposits	2%	2%
	100%	**100%**

VIII. Actuarial Assumptions:

	As at December 31, 2021	As at December 31, 2020
a) Financial Assumptions		
1 Discount rate	6.75%	6.25%
2 Salary increase rate	7.00%	7.00%
b) Demographic Assumptions		
1 Retirement age	60 years	60 years
2 Expected average remaining working lives of employees	10 years	10 years
3 Disability rate	5.00%	5.00%
4 Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate

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

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

e) **Expected cash flows:**

₹ Crore

Particulars	Funded Gratuity As at December 31, 2021	Funded Gratuity As at December 31, 2020	Unfunded Gratuity As at December 31, 2021	Unfunded Gratuity As at December 31, 2020
1. Expected employer contribution in the next year	-	-		
2. Expected benefit payments				
Year 1	29.81	27.60	11.58	7.49
Year 2	23.56	27.86	8.30	9.03
Year 3	23.93	24.56	8.15	9.50
Year 4	21.90	24.87	8.95	9.02
Year 5	17.65	21.52	8.41	10.40
Next 5 years	77.96	78.30	35.96	39.90
Total expected payments	194.81	204.71	81.35	85.34

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the Statement of Profit and Loss.

g) **Other Long-term employee benefits** – Amount recognised as an expense under employee benefit expenses in the Statement of Profit and Loss in respect of compensated absences and long service award is ₹8.57 Crore *(Previous year – ₹17.14 Crore)* Following are the actuarial assumptions used for valuation of Other Long-term employee benefits.

Actuarial Assumptions for valuation of Other Long-term employee benefits	As at December 31, 2021	As at December 31, 2020
a) Financial Assumptions		
1 Discount rate	6.75%	6.25%
2 Salary increase rate	7.00%	7.00%
b) Demographic Assumptions		
1 Retirement age	60 years	60 years
2 Expected average remaining working lives of employees	10 years	10 years
3 Disability rate	5.00%	5.00%
4 Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate

c) **Provident Fund**

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

The minimum interest rate payable by the trust to the beneficiaries every year is 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 (including investment risk fall) and the notified interest rate. The exempt provident fund set up by the Company is a defined benefit plan under Ind AS 19 Employee Benefits.

Defined benefit plans as per actuarial valuation on December 31, 2021

₹ Crore

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
I. Components of expense recognised in the Statement of Profit and Loss		
1 Current service cost	29.47	27.15
2 Current Interest cost	2.31	3.76
3 Net benefit expense	31.78	30.91
Components recognised in other comprehensive income (OCI)		
4 Actuarial (gains)/losses arising from changes in financial assumptions on Liability	(19.22)	(0.93)
5 Actuarial (gains)/losses arising from changes in financial assumptions on Plan Assets	23.54	5.39
6 Sub-total - Included in OCI	4.32	4.46
7 Total expense (3 + 6)	36.10	35.37

₹ Crore

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
II. Amount recognised in Balance Sheet		
1 Present value of Defined Benefit Obligation	(871.44)	(848.58)
2 Fair value of plan assets	794.50	782.27
3 Funded status {Surplus/(Deficit)}	(76.94)	(66.31)
4 Net asset/(liability) as at end of the year *	(76.94)	(66.31)
III. Present Value of Defined Benefit Obligation		
1 Present value of Defined Benefit Obligation at beginning of the year	848.58	820.64
2 Current service cost	29.47	27.15
3 Interest cost	68.10	70.88
4 Employee Contributions	57.58	73.92
5 Actuarial (gains)/losses arising from changes in financial assumptions	(2.41)	15.38
6 Actuarial (gains)/losses arising from experience adjustments	(16.81)	(16.31)
7 Benefits Payments	(122.98)	(154.74)
8 Increase/ (Decrease) due to effect of any transfers	9.91	11.66
9 Present value of Defined Benefit Obligation at the end of the year	871.44	848.58
IV. Fair Value of Plan Assets		
1 Plan assets at the beginning of the year	782.27	765.39
2 Interest income	65.79	67.12
3 Contributions by Employer	25.46	24.31
4 Contributions by Employee	57.58	73.92
5 Actual benefits paid	(122.98)	(154.74)
6 Net transfer in/(out)	9.91	11.66
7 Actuarial gains/(losses) arising from changes in financial assumptions	(23.53)	(5.39)
8 Plan assets at the end of the year	794.50	782.27
V. Weighted Average duration of Defined Benefit Obligation	10 years	10 years

* The Provident Fund of ACC Limited (Trust) had invested ₹49 Crore in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability of this investment, in 2019 the Company provided ₹49 Crore being the change in re-measurement of the defined benefit plans towards probable incremental employee benefit liability that may arise on the Company on account of any likely shortfall of the Trust in meeting its obligations.

VI. The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2021	As at December 31, 2020
Debt instruments		
Government securities	56%	57%
Debentures and bonds	12%	9%
Equity instruments	12%	12%
Cash and Cash equivalent	20%	22%
	100%	100%

VII. The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at December 31, 2021	As at December 31, 2020
Discounting rate	6.75%	6.25%
Guaranteed interest rate	8.50%	8.50%
Yield on assets based on the Purchase price and outstanding term of maturity	8.10%	8.10%

VIII. Sensitivity analysis for factors mentioned in Actuarial Assumptions

₹ Crore

Particulars	As at December 31, 2021 Increase	As at December 31, 2021 Decrease	As at December 31, 2020 Increase	As at December 31, 2020 Decrease
Discount rate (1% movement)	(4.26)	5.03	(4.45)	5.30
Interest rate guarantee (1% movement)	58.05	(30.17)	56.54	(29.37)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

IX. The Company expects to contribute ₹25.00 Crore *(Previous year – ₹25.00 Crore)* to trust managed Provident Fund in the next year.

NOTE 38: LEASES

Refer Note 1 (XXI) for accounting policy on Leases.

Company as lessee

The Company's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, Plant and Equipment, office premises and other premises. There are no restrictions imposed by lease arrangements. There are no subleases.

(I) As at December 31, 2021, commitments for leases not yet commenced is ₹ Nil *(Previous year – ₹37.80 Crore)* towards a leasehold land with lease term of 30 years.

(II) The movement in lease liabilities during the year ended December 31, 2021 is as follows :

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Balance at the January 01	102.48	131.61
Additions During the Year	51.37	8.20
Finance cost accrued during the year	9.37	9.80
Lease modification	-	(7.46)
Payment of lease liabilities	(35.99)	(24.59)
Termination of Lease contracts	(1.65)	(15.08)
Balance at December 31	**125.58**	**102.48**
Current lease liabilities	24.21	18.50
Non-current lease liabilities	101.37	83.98

(III) The maturity analysis of lease liabilities are disclosed in Note 50 (ii) – Liquidity risk

(IV) Lease expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Expense relating to short-term leases	65.19	48.98
Expense relating to leases of low- value assets	0.04	0.04
Expense in respect of variable lease payments	42.03	28.40
	107.26	**77.42**

NOTE 39: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
A) Estimated value of contracts on capital account remaining to be executed (Net of advance)	933.85	1,071.07
B) For commitments relating to lease arrangements, Refer Note – 38		

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 40: CONTINGENT LIABILITIES NOT PROVIDED FOR

Refer Note 1 (XIII) for accounting policy on Contingent liabilities.

(A) Claims against the Company not acknowledged as debt:

Disputed claims/levies in respect of:

₹ Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2021	As at December 31, 2020
Competition Act, 2002	CCI matter - Refer Notes a & b below	1,878.34	1,749.85
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts including interest u/s 244A. Refer Note e below	604.44	604.44
Service Tax – The Finance Act, 1994	Dispute regarding place of removal. Refer Note c below	91.89	90.53
The Mineral Concession Rules	Compensation for use of Government land. Refer Note d below	212.22	212.22
Sales Tax Act/Commercial Tax Act of various states	Packing Material - Differential rate of tax. Matters pending with various authorities.	11.53	20.52
	Other Sales tax matters	6.77	9.65
Customs Duty – The Customs Act, 1962	Demand of duty on import of Steam Coal during 2001 to 2013 classifying it as Bituminous Coal.	30.97	30.97
Other Statutes/Other Claims	Claims by suppliers regarding supply of raw material.	28.80	28.80
	Demand of water drawal charges, Special Leave petition (SLP) pending with Hon'ble Supreme Court.	9.80	9.80
	Various other cases pertaining to claims related to Railways, labour laws, etc.	10.05	10.05
Mines and Minerals (Development and Regulation) Act	Demand of additional Royalty on Limestone based on ratio of cement produced vis a vis consumption of limestone.	7.93	7.93
	Total	**2,892.74**	**2,774.76**

In respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums/ authorities.

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

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

a) In 2012, the Competition Commission of India ('CCI') issued an Order imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with Section 3(3)(a) and Sec 3 (3)(b) of the Competition Act and imposed a penalty of ₹1,147.59 Crore on the Company.

The Company had appealed against the penalty to the Competition Appellate Tribunal ('COMPAT') which granted a stay on November 07, 2016 with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2021 is ₹695.43 Crore *(Previous year – ₹566.94 Crore)*. COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgement dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgement of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for a successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

c) The dispute is regarding whether the "place of removal" is the "factory gate/Depot" or "destination point of customer" for availment of Service Tax Credit on "Outward Transportation cost" of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not "Input Service" and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assessee relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon'ble Supreme Court, vide Order dated January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s Ultratech Cement (Chhattisgarh State) has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon'ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/s Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon'ble Supreme Court remanded to High Court for deciding whether decision of Ultratech (Karnataka State) will be applicable or not.

Based on the advice of the external legal counsel, conflicting decisions of various courts and Central Board of Indirect Taxes and Customs (CBIC) Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

d) The Company has received demand notice dated May 10, 2013 from the Government of Tamil Nadu, and an Order dated August 22, 2019 passed by the Collector, Coimbatore seeking Annual Compensation for the period from 01.04.1997 to 31.03.2014 and 01.04.2014 to 31.03.2019, amounting to ₹73.46 Crore and ₹138.76 Crore respectively for use of the Government land for mining, which land the Company occupies on the basis of the Mining Leases. Despite the Company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letters calling upon the Company to pay compensation for use of Government land. The Company has challenged the demands by way of Revision under the Mineral Concession Rules and in Writ Petitions before the Hon'ble High Court of Tamil Nadu at Chennai, and in a Petition has obtained an order restraining the State from taking coercive steps.

Pending the same the High Court of Tamil Nadu in the group Writ Petitions of other cement manufacturers viz. Dalmia Cements, Madras Cements and others has passed a judgement dated November 20, 2019 allowing annual compensation to be collected by the state under rule 72 of MCR in respect of Government Poramboke Land. The Company has filed a Writ Appeal against the Judgement dated November 20, 2019 passed in Dalmia Cements, Madras Cements and others.

One of the above Petition challenging the demand for the period 01.04.2014 to 31.03.2019, is disposed of against the Company by the High Court vide order dated December 14, 2021 in line with judgement dated November 20, 2019. The Company is in the process of filing a Writ Appeal before the Divisional bench of High Court against this judgement.

The Company is of the view and has been advised legally, that the merits are strongly in its favour.

e) The Company was entitled to excise incentives from Government at its Gagal plant located in the State of Himachal Pradesh, 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).

During the year 2018, the matter was decided in the favour of the Company for three years by the (CIT-A), against which the department has filed an appeal with the ITAT. Two more years orders were received later deciding on the same line.

In view of the series of repeated favourable orders by the Income tax department, after considering the legal merits of the Company's claim, including *inter alia*, the ratio of the decisions of Hon'ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company's appeal by the CIT (A), as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable. This was backed by an expert's opinion on the matter.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the year 2018 in respect of excise incentives for two years. On appealing against 263 order, the ITAT had directed the Assessing Officer to re-examine and take final decision independently. Against ITAT order, appeal is pending before

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for the year ended December 31, 2021

High Court. In 2021, AO has re-examined the matter (as per ITAT's direction) and disallowed the claim. The appeal is filed before CIT(A).

Pending final closure of this matter, tax amount of ₹500.63 Crore *(Previous year – ₹500.63 Crore)* along with interest payable of ₹103.81 Crore *(Previous year – ₹103.81 Crore)* has been disclosed as contingent liabilities.

(B) Guarantees excluding financial guarantees

₹ Crore

Particulars	As at December 31, 2021	As at December 31, 2020
Guarantees given to Government Bodies on behalf of subsidiary companies	0.87	0.04

NOTE 41: MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE COMPANY

a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ₹56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹64 Crore (tax of ₹56 Crore and interest of ₹8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgement was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

b) The Company was eligible for certain incentives in respect of its investment towards modernisation and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹7 Crore representing part of the One Time Lumpsum capital subsidy claim of ₹15 Crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/raised by the Government.

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed an Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received only ₹64 Crore out of total ₹235 Crore in part disbursement from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding.

The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP will be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme *inter alia*, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹133 Crore *(Previous year – ₹133 Crore)* on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company is of the view and has been advised legally, that the merits are strongly in its favour.

Notes to the Financial Statements

for the year ended December 31, 2021

d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co Ltd, in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the Section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹56.66 Crore (net of provision) *(Previous year – ₹56.66 Crore)*, the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹115.62 Crore *(Previous year – ₹115.62 Crore)*, which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) One of the Company's cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured at that plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹82.37 Crore *(Previous year – ₹82.37 Crore)* was raised. The Company filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand is unlikely to sustain under law.

f) The Company was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the ""deemed renewal"" provision of captive mining leases to the first renewal period. The Company received demand from District Mining Officer for ₹881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases up to March 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease up to March 2030 permitting the Company to commence mining operations after depositing ₹48 Crore, being assessed value of materials dispatched between April 2014 to September 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by the Company.
The Company's assessment coupled with legal advice is that the case shall not stand the test of judicial scrutiny basis the automatic renewal.

NOTE 42. RELATED PARTY DISCLOSURE

	(A) Names of the Related parties where control exists:	Nature of Relationship
1	Holcim Ltd, Switzerland (Erstwhile LafargeHolcim Ltd)	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	Bulk Cement Corporation (India) Limited	Subsidiary Company
5	ACC Mineral Resources Limited	Subsidiary Company
6	Lucky Minmat Limited	Subsidiary Company
7	National Limestone Company Private Limited	Subsidiary Company (up to November 18, 2020)
8	Singhania Minerals Private Limited	Subsidiary Company
9	OneIndia BSC Private Limited	Joint venture Company
10	Aakaash Manufacturing Company Private Limited	Joint venture Company
(B)	**Others – With whom transactions have been taken place during the current and/or previous year:**	
(a)	Names of other Related parties	Nature of Relationship
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Services (South Asia) Limited	Fellow Subsidiary
4	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
5	Holcim Technology Ltd, Switzerland	Fellow Subsidiary
6	Holcim Trading Pte Ltd, Singapore (Erstwhile LafargeHolcim Trading Pte Ltd)	Fellow Subsidiary
7	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary (up to April 30, 2021)
8	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
9	Lafarge SA, France	Fellow Subsidiary
10	Holcim Trading Ltd Switzerland (Erstwhile LH Trading Ltd)	Fellow Subsidiary
11	LH Global Hub Services Private Limited	Fellow Subsidiary
12	Holcim International Services Singapore Pte Ltd, Singapore (Erstwhile Lafarge International Services Singapore Pte Ltd)	Fellow Subsidiary
13	Lafargeholcim Investment Co Ltd, China	Fellow Subsidiary
14	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary (up to January 31, 2019)
15	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
16	Asian Fine Cement Private Limited	Subsidiary of Asian Concretes and Cements Private Limited
17	The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
18	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)
19	ACC Trust	Trust (Corporate Social Responsibility Trust)

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).

(b)	Name of the Related Parties:	Nature of Relationship
1	Mr Neeraj Akhoury	Managing Director & CEO (up to February 20, 2020). Additional Director (w.e.f. February 21, 2020) Non-Executive/Non-Independent Director (w.e.f. July 06, 2020)
2	Mr Sridhar Balakrishnan	Managing Director & CEO (w.e.f. February 21, 2020)
3	Ms Rajani Kesari	Chief Financial Officer (up to August 31, 2020)
4	Mr Yatin Malhotra	Chief Financial Officer (w.e.f. September 01, 2020)
5	Mr Rajiv Choubey	Company Secretary
6	Mr N. S. Sekhsaria	Chairman, Non-Executive/Non-Independent Director
7	Mr Jan Jenisch	Deputy Chairman, Non-Executive/Non-Independent Director
8	Mr Martin Kriegner	Non-Executive/Non-Independent Director
9	Mr Shailesh Haribhakti	Independent Director
10	Mr Sushil Kumar Roongta	Independent Director
11	Mr Vijay Kumar Sharma	Non-Independent Director (up to July 20, 2020)
12	Ms Falguni Nayar	Independent Director
13	Mr Christof Hassig	Non-Executive/Non-Independent Director (up to February 20, 2020)
14	Mr Damodarannair Sundaram	Independent Director
15	Mr Vinayak Chatterjee	Independent Director
16	Mr Sunil Mehta	Independent Director
17	Mr M. R. Kumar	Non-Independent Director (w.e.f. October 19, 2020)

(C) Transactions with Subsidiary Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Raw Material**	**1.57**	**-**
	Singhania Minerals Private Limited	1.57	-
2	**Sale of finished goods**	**0.03**	**-**
	Bulk Cement Corporation (India) Limited	0.03	-
3	**Reimbursement of Expenses Paid/Payable**	**0.85**	**1.43**
	Bulk Cement Corporation (India) Limited	0.85	1.43
4	**Reimbursement of Expenses Received/Receivable**	**1.82**	**1.29**
	Bulk Cement Corporation (India) Limited	1.82	1.29
5	**Rendering of Services**	**2.46**	**2.53**
	Bulk Cement Corporation (India) Limited	2.46	2.53
6	**Receiving of Services**	**25.50**	**20.83**
	Bulk Cement Corporation (India) Limited	25.50	20.83
7	**Inter Corporate Deposit (including accrued interest) written off***	**-**	**2.05**
	National Limestone Company Private Limited	-	2.05

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₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
8	**Interest income on Inter Corporate Deposit**	**0.07**	**0.20**
	National Limestone Company Private Limited	-	0.12
	Singhania Minerals Private Limited	0.06	0.07
	Lucky Minmat Limited	0.01	0.01
9	**Inter Corporate Deposits Given**	**0.04**	**0.21**
	National Limestone Company Private Limited	-	0.19
	Lucky Minmat Limited	0.04	0.02
10	**Conversion of outstanding interest into Inter Corporate Deposits**	**-**	**0.06**
	National Limestone Company Private Limited	-	0.04
	Singhania Minerals Private Limited	-	0.02
11	**Guarantee given**	**0.83**	**-**
	Singhania Minerals Private Limited	0.73	-
	Bulk Cement Corporation (India) Limited	0.10	-

Outstanding balances with Subsidiary Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Guarantee outstanding as at the end of the Year ##**	**0.87**	**0.04**
	Singhania Minerals Private Limited	0.77	0.04
	Bulk Cement Corporation (India) Limited	0.10	-
2	**Inter Corporate Deposits as at the end of the Year**	**0.86**	**0.82**
	Singhania Minerals Private Limited	0.71	0.71
	Lucky Minmat Limited	0.15	0.11
3	**Outstanding balance of interest receivables on Inter Corporate Deposits**	**0.19**	**0.12**
	Singhania Minerals Private Limited	0.17	0.11
	Lucky Minmat Limited	0.02	0.01
4	**Outstanding balance included in Trade receivables**	**0.31**	**0.35**
	Bulk Cement Corporation (India) Limited	0.14	0.18
	Singhania Minerals Private Limited	0.17	0.17
5	**Outstanding balance included in Trade payables**	**3.96**	**2.01**
	Bulk Cement Corporation (India) Limited	3.92	2.01
	Singhania Minerals Private Limited	0.04	-

(D) Transactions with Joint Venture Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Finished Goods**	**149.20**	**86.59**
	Aakaash Manufacturing Company Private Limited {Refer Note 46 (ii)}	149.20	86.59
2	**Sale of Finished Goods**	**2.16**	**8.00**
	Aakaash Manufacturing Company Private Limited	2.16	8.00
3	**Receiving of Services**	**-**	**17.44**
	OneIndia BSC Private Limited	-	17.44
4	**Sale of Raw Material**	**0.22**	**-**
	Aakaash Manufacturing Company Private Limited	0.22	-
5	**Dividend Received**	**1.13**	**-**
	Aakaash Manufacturing Company Private Limited	1.13	-
6	**Reimbursement of Expenses Paid/Payable**	**0.30**	**1.22**
	Aakaash Manufacturing Company Private Limited	0.21	1.22
	OneIndia BSC Private Limited	0.09	-

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for the year ended December 31, 2021

Outstanding balances with Joint venture Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**0.22**	**1.59**
	Aakaash Manufacturing Company Private Limited	0.22	1.59
2	**Outstanding balance included in Trade payables**	**36.66**	**21.17**
	Aakaash Manufacturing Company Private Limited	36.66	20.64
	OneIndia BSC Private Limited	-	0.53

(E) Transactions with Associate Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Finished Goods**	**65.86**	**47.77**
	Alcon Cement Company Private Limited {Refer Note – 46 (i)}	65.86	47.77
2	**Sale of Finished Goods**	**0.03**	**-**
	Alcon Cement Company Private Limited	0.03	-
3	**Purchase of Raw Materials**	**8.94**	**4.87**
	Asian Concretes and Cements Private Limited	8.94	4.87
4	**Sale of Unfinished Goods**	**21.87**	**15.68**
	Alcon Cement Company Private Limited {Refer Note – 46 (i)}	20.68	14.18
	Asian Fine Cement Private Limited	1.19	1.50
5	**Dividend Received**	**0.43**	**0.29**
	Alcon Cement Company Private Limited	0.43	0.29
6	**Receiving of Services**	**63.33**	**62.10**
	Asian Concretes and Cements Private Limited	63.33	62.10
7	**Reimbursement of Expenses Received/Receivable**	**16.23**	**11.24**
	Alcon Cement Company Private Limited	16.23	11.24
8	**Reimbursement of Expenses Paid/Payable**	**0.34**	**2.38**
	Alcon Cement Company Private Limited	0.34	0.14
	Asian Concretes and Cements Private Limited	-	2.24

Outstanding balances with Associate Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**8.74**	**6.39**
	Alcon Cement Company Private Limited	8.74	6.39
2	**Outstanding balance included in Trade payables**	**24.30**	**12.75**
	Asian Concretes and Cements Private Limited	16.41	6.16
	Alcon Cement Company Private Limited	7.58	6.09
	Asian Fine Cement Private Limited	0.31	0.50

(F) Details of Transactions relating to Ultimate Holding and Holding Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Dividend paid**	**143.36**	**143.36**
	Ambuja Cements Limited	131.58	131.58
	Holderind Investments Limited	11.78	11.78
2	**Purchase of Raw materials**	**18.23**	**15.83**
	Ambuja Cements Limited	18.23	15.83
3	**Purchase of Finished /Unfinished goods**	**867.14**	**498.37**
	Ambuja Cements Limited	867.14	498.37
4	**Purchase of Stores & Spares**	**4.00**	**1.75**
	Ambuja Cements Limited	4.00	1.75
5	**Purchase of Property, Plant and Equipments**	**17.42**	**1.28**
	Ambuja Cements Limited	17.42	1.28
6	**Sale of Finished /Unfinished Goods**	**469.24**	**220.25**
	Ambuja Cements Limited	469.24	220.25

Notes to the Financial Statements
for the year ended December 31, 2021

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
7	**Sale of Raw Material**	**6.85**	**1.76**
	Ambuja Cements Limited	6.85	1.76
8	**Sale of Stores & Spares**	**1.35**	**0.36**
	Ambuja Cements Limited	1.35	0.36
10	**Sale of Property, Plant and Equipments**	**0.73**	**0.72**
	Ambuja Cements Limited	0.73	0.72
11	**Rendering of Services**	**69.17**	**53.44**
	Ambuja Cements Limited	69.17	53.44
12	**Receiving of Services**	**46.98**	**39.58**
	Ambuja Cements Limited	46.98	39.58
13	**Reimbursement of Expenses Received/Receivable**	**0.83**	**0.06**
	Ambuja Cements Limited	0.83	0.06
14	**Reimbursement of Expenses Paid/Payable**	**9.43**	**1.45**
	Ambuja Cements Limited	9.43	1.45

Outstanding balances with Ultimate Holding and Holding Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**37.95**	**24.36**
	Ambuja Cements Limited	37.95	24.36
2	**Outstanding balance included in Other current assets - advances**	**0.04**	**0.04**
	Ambuja Cements Limited	0.04	0.04
3	**Outstanding balance included in Trade payables**	**100.32**	**68.11**
	Ambuja Cements Limited	100.32	68.11

(G) Details of Transactions relating to Fellow Subsidiary Companies/Joint Venture of Holding Company

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Raw materials**	**167.59**	**210.25**
	LafargeHolcim Energy Solutions SAS	-	210.04
	Holcim Trading Ltd	167.01	-
	Counto Microfine Products Private Limited	0.58	0.21
2	**Sale of Finished /Unfinished Goods**	**-**	**0.03**
	Counto Microfine Products Private Limited	-	0.03
3	**Technology and Know-how fees**	**154.51**	**132.79**
	Holcim Technology Ltd	154.51	132.79
4	**Receiving of Services**	**77.58**	**64.54**
	Holcim Services (South Asia) Limited	48.40	52.43
	LH Global Hub Services Private Limited	27.79	11.08
	Lafarge SA	0.37	0.66
	Holcim Technology Ltd	0.32	0.37
	Lafargeholcim Investment Ltd	0.70	-
5	**Rendering of Services**	**4.06**	**11.05**
	Holcim Services (South Asia) Limited	4.06	9.63
	Lafarge SA	-	0.79
	Holcim Technology Ltd	-	0.63
6	**Expense recognised in respect of doubtful debts** **	**-**	**1.73**
	Holcim Technology Ltd	-	1.45
	Holcim Trading Pte Ltd	-	0.13
	PT Holcim Indonesia Tbk	-	0.15
7	**Reimbursement of Expenses Paid/Payable**	**1.03**	**1.77**
	Lafargeholcim Energy Solutions SAS	0.45	0.27
	Holcim International Services Singapore Pte Ltd	0.38	1.47
	Holcim Group Services Ltd	0.20	0.03

Notes to the Financial Statements
for the year ended December 31, 2021

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
8	**Reimbursement of Expenses Received/Receivable**	**1.17**	**1.48**
	Lafargeholcim Energy Solutions SAS	0.75	0.51
	Holcim Technology Ltd	-	0.78
	LH Global Hub Services Private Limited	0.40	0.19
	Holcim Trading Ltd	0.02	-

Outstanding balances with Fellow Subsidiary Companies/Joint Venture of Holding Company

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**2.67**	**5.23**
	Holcim Services (South Asia) Limited	2.65	4.78
	LafargeHolcim Bangladesh Ltd	0.02	0.02
	LH Global Hub Services Private Limited	-	0.19
	Lafarge SA	-	0.03
	Holcim Technology Ltd	-	0.21
2	**Outstanding balance included in Trade payables**	**170.65**	**38.88**
	Holcim Trading Ltd	130.21	-
	LafargeHolcim Energy Solutions SAS	1.21	1.93
	Holcim Technology Ltd	31.35	29.91
	Counto Microfine Products Private Limited	0.17	0.04
	Holcim Services (South Asia) Limited	5.51	5.33
	Holcim Group Services Ltd	0.02	0.03
	Lafarge SA	0.44	0.17
	LH Global Hub Services Private Limited	1.57	-
	Lafargeholcim Investment Ltd	0.17	-
	Holcim International Services Singapore Pte Ltd	-	1.47

(H) Details of Transactions with Key Management Personnel

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Remuneration*** **	**10.02**	**16.44**
	Mr Sridhar Balakrishnan	5.15	3.32
	Mr Yatin Malhotra	2.07	0.60
	Mr Rajiv Choubey	1.95	2.27
	Mr Neeraj Akhoury^	0.57	6.15
	Ms Rajani Kesari^^	0.28	4.10
	Breakup of Remuneration	**10.02**	**16.44**
	Short-term employee benefits	8.99	15.83
	Post employment benefits (including defined contribution and defined benefits)***	0.36	0.35
	Other long-term benefits***	-	-
	Employee share-based payments (Refer Note – 53)	0.67	0.26
2	**Other Payment to Key Management Personnel**		
	Commission Payable	**2.99**	**2.97**
	Mr N. S. Sekhsaria	0.50	0.50
	Mr Martin Kriegner#	-	-
	Mr Shailesh Haribhakti	0.36	0.36
	Mr Sushil Kumar Roongta	0.36	0.36
	Mr Jan Jenisch	0.20	0.20
	Ms Falguni Nayar	0.20	0.20
	Mr Sunil Mehta	0.36	0.36
	Mr Damodarannair Sundaram	0.45	0.45
	Mr Vinayak Chatterjee	0.36	0.36
	Mr M. R. Kumar	0.20	0.04
	Mr Vijay Kumar Sharma	-	0.11
	Mr Christof Hassig	-	0.03

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₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Sitting Fees	**0.52**	**0.78**
Mr N. S. Sekhsaria	0.05	0.07
Mr Martin Kriegner#	-	-
Mr Shailesh Haribhakti	0.08	0.11
Mr Sushil Kumar Roongta	0.08	0.11
Mr Vijay Kumar Sharma	-	0.03
Mr Jan Jenisch	0.02	0.02
Ms Falguni Nayar	0.04	0.06
Mr Christof Hassig	-	0.01
Mr Sunil Mehta	0.07	0.12
Mr Damodarannair Sundaram	0.08	0.12
Mr Vinayak Chatterjee	0.08	0.12
Mr M. R. Kumar	0.02	0.01

* During the previous year, the Company divested 100% stake in National Limestone Company Private Limited ('NLCPL') under a Share Purchase Agreement dated November 18, 2020 for a consideration of ₹20 Crore and the outstanding Inter-Corporate Loans granted by the Company to the NLCPL including accrued interest as on the date of transfer of the shares of NLCPL was written off.

** Reimbursements and cost sharing expenses receivable from the Group companies written off in previous year.

*** Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

^ Paid performance incentive for the year 2020 in April 2021 on pro rata basis for the period January 01, 2020 to February 20, 2020.

^^ Paid performance incentive for the year 2020 in April 2021 on pro rata basis for the period January 01, 2020 to August 31, 2020.

Waived their right to receive Directors' commission and sitting fees.

– The Company makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd"" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹25.46 Crore (Previous year – ₹24.31 Crore).

– The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme). During the year, the Company contributed ₹ Nil (Previous year – ₹25.00 Crore).

– During the year the Company has contributed ₹16.00 Crore (Previous year – ₹27.24 Crore) to ACC Trust towards Corporate social responsibility obligations.

– Transactions with related parties disclosed are inclusive of applicable taxes.

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Loans to subsidiaries:

The Company had given loans to subsidiaries for general corporate purposes. Outstanding balances at the year-end are unsecured and carry an interest rate of 7% *(Previous year – 9%)* and repayable on demand.

##Guarantees given on behalf of subsidiaries:

Guarantee given on behalf of Singhania Minerals Private Limited and Bulk Cement Corporation (India) Limited, subsidiary companies is for the purpose of approval of mining plan and compliance with Pollution Control requirements respectively.

NOTE 43: SEGMENT REPORTING

Refer Note 1 (XXII) for accounting policy on Segment Reporting

For management purposes, the Company is organised into business units based on the nature of the products, the differing risks and returns. The organisation structure and internal reporting system has two reportable segments, as follows:

(a) **Cement –** Cement is a product which is obtained from clinker resulting from mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, etc, in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.

(b) **Ready-Mix Concrete –** Ready-Mix Concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

Notes to the Financial Statements
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The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Information about primary business segments

₹ Crore

	Cement		Ready-Mix Concrete		Total	
	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
REVENUE						
External sales	14,572.74	12,531.41	1,241.66	955.42	15,814.40	13,486.83
Inter-segment sales	199.62	126.76	6.32	2.49	205.94	129.25
Other operating revenue	333.08	294.06	3.87	3.65	336.95	297.71
	15,105.44	**12,952.23**	**1,251.85**	**961.56**	**16,357.29**	**13,913.79**
Less: Elimination	199.62	126.76	6.32	2.49	205.94	129.25
Total revenue	**14,905.82**	**12,825.47**	**1,245.53**	**959.07**	**16,151.35**	**13,784.54**
OPERATING EBITDA	**2,902.96**	**2,292.08**	**97.44**	**60.08**	**3,000.40**	**2,352.16**
Segment result	**2,354.10**	**1,708.06**	**55.81**	**13.51**	**2,409.91**	**1,721.57**
Unallocated corporate income net of unallocated expenditure					4.14	16.54
Operating Profit					**2,414.05**	**1,738.11**
Finance costs					(54.63)	(57.04)
Interest and Dividend income					193.83	182.72
Exceptional item						
Impairment of investment {Refer Note – 45 (i)}					(38.10)	-
Impairment of assets {Refer Note – 2(3)}					-	(176.01)
Restructuring cost (Refer Note – 56)					(54.76)	-
Tax expenses (Refer Note – 22)					(640.12)	(272.84)
Profit after tax					**1,820.27**	**1,414.94**
Capital expenditure (including capital work-in-progress and capital advances)	1,279.54	700.22	8.62	17.32	1,288.16	717.54
Depreciation and Amortisation	555.54	588.72	41.74	46.58	597.28	635.30
Other non-cash expenses						
Impairment losses	38.10	176.01	-	-	38.10	176.01
Expected credit loss on Incentives under Government schemes	-	128.92	-	-	-	128.92
Others	10.53	18.39	(9.13)	32.05	1.40	50.44

₹ Crore

	Cement		Ready-Mix Concrete		Total	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Segment assets	11,746.35	10,500.41	509.67	447.99	12,256.02	10,948.40
Unallocated Corporate assets					8,662.99	7,177.53
Total assets					**20,919.01**	**18,125.93**
Segment liabilities	4,709.63	3,900.80	501.91	416.54	5,211.54	4,317.34
Unallocated corporate liabilities					1,479.04	1,147.15
Total liabilities					**6,690.58**	**5,464.49**

₹ Crore

Sales from external customer	For the year ended December 31, 2021	For the year ended December 31, 2020
Within India	15,812.30	13,482.07
Outside India*	2.10	4.76
Total	**15,814.40**	**13,486.83**

No single customer contributed 10% or more to the Company's revenue for the year ended December 31, 2021 and December 31, 2020.

* Sales outside India are in functional currency.

All the non current assets are located within India.

Cash flows arising from the reportable segments:

₹ Crore

	Cement		Ready-Mix Concrete		Unallocated		Total	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Net Cash flow from operating activities	3,234.19	3,054.57	30.17	11.96	432.74	(850.96)	2,831.62	2,215.57
Net cash used in investing activities	(1,142.10)	(732.63)	(8.77)	(12.53)	161.86	208.57	(989.01)	(536.59)
Net cash used in financing activities	(7.44)	(1.80)	(28.55)	(22.79)	(294.53)	(302.77)	(330.52)	(327.36)

NOTE 44: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006*

₹ Crore

	As at December 31, 2021	As at December 31, 2020
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal amount due to micro and small enterprises (Not overdue)	17.11	6.29
Principal amount due to micro and small enterprises (overdue)	8.22	-
Interest due on overdue	0.20	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

NOTE 45:

In assessing the carrying amounts of Investments (net of impairment loss) in companies which are currently not in operation, the Company considered various factors as detailed below:

(i) The Company had invested ₹38.10 Crore *(Previous year - ₹38.10 Crore)* in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary company. In view of no mining activity being carried out in view of ongoing litigation on transfer of lease rights and amendments brought in to the Mines and Minerals (Development and Regulations) Amendment Act, 2021, the Company has reassessed the value of investments and accordingly, during the year ended December 31, 2021, there is a charge of ₹38.10 Crore in respect of impairment in the value of investment.

(ii) The Company has investment in ACC Mineral Resources Limited (AMRL), a wholly-owned subsidiary of ₹106.80 Crore *(Previous year – ₹106.80 Crore)*. AMRL, through its joint operations had secured development for four coal blocks allocated to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgement of Supreme Court dated August 25, 2014 read with its order dated September 24, 2014.

The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated March 23, 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to March 31, 2014. The Hon'ble Delhi High Court issued its judgement on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account."" Accordingly a fresh claim has been filed with Ministry of Coal for reimbursement of expenses incurred up to the date of vesting order. The decision / valuation of our claim by Ministry of Coal is awaited. The auction of remaining three coal blocks has not yet taken place.

The Company had assessed the recoverability of amount incurred on development of these coal blocks and accordingly investment of ₹42.81 Crore was impaired in the previous years.

Based on above the Company has concluded that no further impairment is necessary. (Refer Note – 37 of the consolidated financial statements for Group information).

(iii) The Company has investment of ₹2.50 Crore *(Previous year – ₹2.50 Crore)* in equity shares of OneIndia BSC Private Limited ('BSC'), joint venture of ACC Limited ('the Company'). BSC is engaged in the business of providing business shared services. The Master service agreement (MSA) for these services was entered for a period of 5 years ended December 31, 2020. The MSA agreement is not renewed. Accordingly, the financial statements of BSC for the year ended December 31, 2021 has not been prepared on going concern basis. BSC is currently not under liquidation. The management believes that amount of investment in BSC is recoverable and no impairment is necessary given the positive net worth of ₹13.34 Crore and net current assets value of ₹10.59 Crore as at December 31, 2021.

NOTE 46:

(i) The Company has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/purchase transactions for determination of taxable turnover and tax under GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of ₹16.15 Crore *(Previous year – ₹11.08 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Cement so converted. This transaction has been identified in the nature of lease. (Refer Note – 38)

(ii) The Company has arrangement with a Joint venture company whereby it purchases Ready-Mix Concrete and sells that to external customers. While the transactions are considered as individual sale/purchase transactions for determination of taxable turnover and tax under GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready-Mix Concrete in relation to the Company's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale (excluding GST) of such Ready-Mix Concrete to customer of ₹126.19 Crore *(Previous year – ₹73.18 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready-Mix Concrete.

NOTE 47: DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 (4) OF THE COMPANIES ACT, 2013:

₹ Crore

Nature of the transaction (loans given/ investment made/ guarantee given/ security provided)	Purpose for which the loan/ guarantee/ security is proposed to be utilised by the recipient	As at December 31, 2021 *	Maximum Balance during the Year *	As at December 31, 2020 *	Maximum Balance during the Previous Year *
(a) Loans and Advances to wholly-owned Subsidiaries –					
National Limestone Company Private Limited (Refer Note – 54)	Working Capital	-	-	-	1.86
Singhania Minerals Private Limited	Working Capital	0.71	0.71	0.71	0.71
Lucky Minmat Limited	Working Capital	0.15	0.15	0.11	0.11

* Balance does not include outstanding interest .

(b) Details of Investments made are given in Note 5.

(c) Guarantee given on behalf of Singhania Minerals Private Limited, wholly-owned subsidiary company, of ₹0.77 Crore *(Previous year – ₹0.04 Crore)* are for the purpose of approval of mining plan.

(d) Guarantee given on behalf of Bulk Cement Corporation (India) Limited, subsidiary company, of ₹0.10 Crore *(Previous year – ₹ Nil)* is for the compliance of Pollution Control.

(e) The loanees have not made any investments in the shares of the Company.

(f) The above loans are repayable on demand and carries rate of interest at 7% p.a. *(Previous year – 9% p.a.)*.

NOTE 48: CAPITALISATION OF EXPENDITURE

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment /Capital work-in-progress (CWIP) in the course of its construction. Consequently, expenses disclosed under the respective notes to the Statement of Profit and Loss are net of amounts capitalised by the Company.

₹ Crore

	2021	2020
Balance at the beginning of the year	39.09	17.53
Expenditure during construction for projects:		
Employee benefits expense*	27.75	23.43
Rates and taxes**	-	0.80
Power and fuel**	1.22	0.56
Depreciation	0.07	-
Miscellaneous expenses**	1.41	2.02
Total	69.54	44.34
Less: Capitalised during the year	10.25	5.25
Balance at the end of the year	59.29	39.09

* Employee benefits expense represents cost of departments associated with the projects which are directly attributable to the construction and acquisition of Property, Plant and Equipment.

** Miscellaneous expenses, power and fuel and rates and taxes 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 the management.

NOTE 49: FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

₹ Crore

Particulars	Note No.	Carrying value As at December 31, 2021	As at December 31, 2020
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Investment in Unquoted equity shares	6	14.70	4.50
Cash and cash equivalents – Mutual funds	12	345.23	580.09
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	250.00	250.00
Other Cash and cash equivalents (Balances with banks)	12	6,652.00	4,904.82
Bank balances other than Cash and Cash Equivalents	13	156.94	156.17
Investments in Bonds	6	3.70	3.70
Security deposits (Current and Non-Current)	8 & 15	207.66	174.89
Loans and Other financial assets (Current and Non-Current)	7, 8, 14 & 15	979.07	926.19
Trade receivables	11	489.18	451.53
3. Measured at fair value through Other Comprehensive Income		-	-
Total		9,098.48	7,451.89

₹ Crore

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
Financial liabilities			
1. Measured at FVTPL			
Foreign currency forward contract	23	-	0.28
2. Measured at amortised cost			
Trade payables		1,899.21	1,416.30
Security deposits and retention money	23	792.37	801.26
Lease Liabilities		125.58	102.48
Other financial liabilities	23	334.83	205.80
Total		3,151.99	2,526.12

The management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

₹ Crore

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
Financial assets measured at amortised cost		
Interest income	(179.59)	(182.43)
Impairment losses on trade receivable (including reversals of impairment losses)	(10.87)	37.34
Expected credit loss on Incentives under Government schemes	-	128.92
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(8.41)	(14.82)
Net gain on fair valuation of current financial assets	(0.23)	(0.12)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	3.20	1.74
Interest expenses on deposits from dealers	16.19	17.14
Interest expenses on lease liabilities	9.37	9.80
Derivatives - Foreign exchange forward contracts		
Net loss/(gain) on foreign currency forward contract	1.29	0.59
Net gain recognised in Statement of Profit and Loss	(169.05)	(1.84)

(C) Fair Value Hierarchy

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

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs that are unobservable for the asset or liability.

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

₹ Crore

	Level 1	Level 2	Level 3	Total
As at December 31, 2021				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	14.70	14.70
Cash and cash equivalents – Mutual funds	345.23	-	-	345.23
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	-	-	-
As at December 31, 2020				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	4.50	4.50
Cash and cash equivalents - Mutual funds	580.09	-	-	580.09
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	0.28	-	0.28

During the reporting period ending December 31, 2021 and December 31, 2020, there was no transfer between level 1 and level 2 fair value measurement.

The following methods and assumptions were used to estimate the fair values:

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Level 3: Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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

Other financial assets and liabilities

The management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 50: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Evaluation and Management is an ongoing process within the Company. The Company has a system based risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments.

The Company is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Company's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimise potential adverse effects on the Company's financial performance.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. Check on counterparties basis credit rating 4. Number of days overdue 5. Eligibility under State Investment Promotion Schemes for incentives
Liquidity Risk	Borrowings, Trade payables, Deposits from dealers, Foreign exchange Forward contract, lease liabilities and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk – Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Foreign exchange Forward contract
Market Risk – Commodity price risk	Movement in prices of commodities mainly Coal and Pet Coke	Sensitivity analysis	1. Fuel mix optimisation 2. Longer term contracts 3. Usage of alternative fuels and renewable energy
Market Risk – Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

Financial assets other than trade receivables

Credit risk from balances with banks and financial institutions is managed by the Company's Treasury department in accordance with it's policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Company's Board of Directors.

Credit risk arising from short-term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Company result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Incentives receivable from the Government

The Company's manufacturing units in various states; mainly those in Maharashtra and Jharkhand are eligible for incentives under the respective State Industrial Policy. The Company has been accruing these incentives as refund claims in respect of VAT / GST paid, on the basis that all attaching conditions were fulfilled by the Company and there is a reasonable assurance that the incentive claims will be disbursed by the State Governments.

The Company has estimated the expected credit loss based on time period to recover these incentives and carries a provision of ₹128.92 crore as at December 31, 2021 *(Previous year - ₹ 128.92 crore).*

The Company is confident about the ultimate realization of the dues from the State Governments and there is no risk of default.

Movement of Incentives under Government schemes

	₹ Crore
As at January 01, 2020	832.12
Incentive accrued	159.94
Incentive received	-
Expected credit loss	(128.92)
As at December 31, 2020	**863.14**
Incentive accrued	154.74
Incentive received	(112.28)
Others	(0.85)
As at December 31, 2021 (Refer Note - 8 & 15)	**904.75**

Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interactions with responsible persons for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has adopted a policy of only dealing in creditworthy counterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Company's net sales. Therefore, the Company does not expect any material risk on account of non-performance by any of its counterparties.

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	As at December 31, 2021	As at December 31, 2020
		₹ Crore
Neither past due nor impaired	236.99	221.33
Past due not impaired		
- 1-180 days	241.54	214.63
- more than 180 days	10.65	15.56
Past due impaired		
- 1-180 days	3.45	1.18
- more than 180 days	51.84	66.12
Total	544.47	518.82

Expected credit loss assessment

For trade receivables, as a practical expedient, the Company compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The following table summarises the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	₹ Crore
As at January 01, 2020	41.13
Provided during the year	39.64
Amounts utilised	(11.18)
Reversals of Provision	(2.30)
As at December 31, 2020	**67.29**
Provided during the year	1.52
Amounts utilised	(1.13)
Reversals of Provision	(12.39)
As at December 31, 2021	55.29

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit impaired

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Company assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

(ii) Liquidity risk

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

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

	Carrying amount	Less than 1 year	1 -5 Years	More than 5 year	Total
As at December 31, 2021					
Other financial liabilities*	1,127.20	1,145.41	-	-	1,145.41
Lease Liabilities	125.58	32.58	87.24	53.73	173.55
Trade payables	1,899.21	1,899.21	-	-	1,899.21
	3,151.99	3,077.20	87.24	53.73	3,218.17

	Carrying amount	Less than 1 year	1 -5 Years	More than 5 year	Total
As at December 31, 2020					
Other financial liabilities*	1,007.06	1,027.54	-	-	1,027.54
Lease Liabilities	102.48	26.10	76.18	29.15	131.43
Foreign exchange Forward contract	0.28	0.28	-	-	0.28
Trade payables	1,416.30	1,416.30	-	-	1,416.30
	2,526.12	2,470.22	76.18	29.15	2,575.55

*Other financial liabilities includes deposits received from customers amounting to ₹628.09 Crore *(Previous year ₹706.13 Crore)*. These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

(iii) Market risk

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

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

Based on sensitivity analysis, the Company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amounts of the Company's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

As at December 31, 2021	USD	EUR	CHF	GBP
				₹ Crore
Trade Payable	75.53	4.39	0.03	0.01
Foreign exchange derivative contracts	(61.43)	-	-	-
Net exposure to foreign currency risk (liabilities)	14.10	4.39	0.03	0.01

As at December 31, 2020	USD	EUR	CHF	GBP
				₹ Crore
Trade Payable	5.19	6.33	0.11	0.01
Foreign exchange derivative contracts	(0.35)	-	-	-
Net exposure to foreign currency risk (liabilities)	4.84	6.33	0.11	0.01

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ₹strengthens 5% against the relevant currency. For a 5% weakening of the ₹against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

	As at December 31, 2021		As at December 31, 2020	
Particulars	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	0.71	(0.71)	0.21	(0.21)
EUR	0.22	(0.22)	0.32	(0.32)
CHF	-	-	0.01	(0.01)
TOTAL	0.93	(0.93)	0.54	(0.54)

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

Market Risk – Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Company. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to a drop in operating margin. To manage this risk, the Company take following steps:

1. Optimizing the fuel mix, pursue longer term and fixed contracts where considered necessary.
2. Consistent efforts to reduce the cost of power and fuel by using both domestic and international coal and petcoke.
3. Use of alternative Fuel and Raw Materials (AFR) and enhancing the utilisation of renewable power including its onsite and offsite solar, wind, hydro power and Waste Heat Recovery System (WHRS).

Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirements are monitored by the central procurement team.

Market Risk – Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the interest rate risk arises primarily from security deposit from dealers. The Company has not used any interest rate derivatives.

The Company has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/lower the profit for the year ended December 31, 2021 would decrease/increase by ₹3.14 Crore *(Previous year – ₹3.53 Crore).*

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

NOTE 51: CAPITAL MANAGEMENT

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As stated in the below table, the Company is a Zero debt company with no long-term borrowings. The Company is not subject to any externally imposed capital requirements.

₹ Crore

	Note No.	As at December 31, 2021	As at December 31, 2020
Total Debt		-	-
Less: Cash and cash equivalents	12	(7,247.24)	(5,734.92)
Net debt		**(7,247.24)**	**(5,734.92)**
Equity	18 & 19	14,228.43	12,661.44
Debt to Equity (Net)		**NA**	**NA**

NOTE 52: DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2020 ₹14 per share *(Previous year – ₹ Nil)*	262.90	-
Interim dividend for the year ended December 31, 2021 ₹ Nil *(Previous year – ₹14 per share)**	-	262.90
	262.90	**262.90**
Proposed dividends on equity shares:		
Final dividend for the year ended December 31, 2021 ₹58 per share	1,089.17	-
Final Dividend for the year ended December 31, 2020 ₹14 per share	-	262.90
	1,089.17	262.90

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at December 31.

* Subsequent to the year ended December 31, 2019, the Board of Directors decided to revoke the recommendation for payment of final dividend for the Financial Year ended December 31, 2019 and declared payment of interim dividend for the financial year ended December 31, 2019 at ₹14 per share.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 53: EMPLOYEE SHARE-BASED PAYMENTS

Description of plan – Holcim Performance Share Plan

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

6,600 *(Previous year – 7,800)* performance shares at a fair value of ₹4,226 per share *(Previous year – ₹3,352 per share)* were granted in 2021. 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, ₹4.18 Crore *(Previous year – ₹2.66 Crore)* 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.

Information related to awards granted through the Performance Share Plan is presented below:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
As at January 01	16,200	9,000
Granted	6,600	7,800
Forfeited	(5,400)	(600)
As at December 31	**17,400**	**16,200**

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

NOTE 54:

During the previous year the Company divested 2,00,000 Equity Shares representing 100% stake in National Limestone Company Private Limited (NLCPL) under a Share Purchase Agreement dated November 18, 2020. The Company has received the entire consideration amount of ₹20 Crore. The Company has, therefore, accounted for ₹3.94 Crore as profit arising from divestment.

NOTE 55:

The Competition Commission of India ("CCI") initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behavior and conducted search and seizure operations in December 2020 against few companies. The Director General of CCI in January 2021 sought information from the Company and the information sought is provided. The Company is of the firm view that it has acted and continues to act in compliance with competition laws. The Company believes that this does not have any impact on the financial statements.

NOTE 56:

During the year ended December 31, 2021, there is a charge of ₹54.76 Crore on account of restructuring costs to employees and contract staff.

NOTE 57: RISK DUE TO OUTBREAK OF COVID-19 PANDEMIC

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same.

NOTE 58:

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE 59:

The Company has reclassified security deposits as below to give effect to incremental changes in Division II to Schedule III to the Companies Act, 2013.

₹ Crore

Description	Note No.	Previously reported amount	Revised amount	Change
Balance Sheet				
Non-current financial assets				
Loans	7	129.35	7.59	121.76
Other financial assets	8	645.65	767.41	(121.76)
Current financial assets				
Loans	14	59.80	6.68	53.12
Other financial assets	15	266.27	319.39	(53.12)

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA
Chief Financial Officer

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Mumbai, February 09, 2022

MARTIN KRIEGNER
Director
DIN: 00077715

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

NEERAJ AKHOURY
Director
DIN: 07419090

Form AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ Crore)

Sl. No.	Particulars					
1	Name of the Subsidiary	ACC Mineral Resources Limited	BulK Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited*	Singhania Minerals Private Limited
2	Reporting period for the Subsidiary	January 01, 2021 to December 31, 2021	January 01, 2021 to December 31, 2021	January 01, 2021 to December 31, 2021	Refer Note – (a) below	January 01, 2021 to December 31, 2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA
4	Share capital	121.95	33.64	3.25	NA	0.52
		121.95	*33.64*	*3.25*	*NA*	*0.52*
5	Reserves and surplus	(35.19)	27.62	(6.33)	NA	(1.46)
		(37.39)	*25.68*	*(5.74)*	*NA*	*(1.48)*
6	Total assets	90.70	71.34	0.67	NA	1.84
		88.40	*68.30*	*0.65*	*NA*	*1.40*
7	Total liabilities	3.94	10.08	3.75	NA	2.78
		3.84	*8.98*	*3.14*	*NA*	*2.30*
8	Turnover	-	22.04	-	-	1.50
		-	*18.48*	-	-	-
9	Profit/(Loss) before tax	2.19	2.60	(0.59)	-	0.03
		2.91	*2.08*	*(0.50)*	*1.64*	*(0.61)*
10	Tax expenses	(0.01)	0.66	-	-	0.01
		0.01	*0.50*	-	-	-
11	Profit/(Loss) after tax	2.20	1.94	(0.59)	-	0.02
		2.90	*1.58*	*(0.50)*	*1.64*	*(0.61)*
12	Proposed dividend	-	-	-	-	-
		-	-	-	-	-
13	% of shareholding	100%	94.65%	100%	NA	100%
		100%	*94.65%*	*100%*	*NA*	*100%*

Form AOC-1

Part "B": Associates and Joint Ventures

Sl. No.	Name of Associates	Alcon Cement Company Private Limited	Asian Concretes and Cements Private Limited
1	Latest audited Balance Sheet Date	December 31, 2021	December 31, 2021
	Shares of Associates held by the Company on the year end	4,08,001	81,00,000
	Amount of Investment in Associates (₹ Crore)	22.25	36.81
2	Extend of Holding (%)	40%	45%
3	Description of how there is significant influence	Note (b)	Note (b)
4	Reason why the associates is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	5.60	98.37
		5.70	*89.12*
6	Other Comprehensive Income for the year (₹ Crore)	0.82	20.56
		0.73	*19.11*
	i. Considered in Consolidation (₹ Crore)	0.33	9.25
		0.29	*8.60*
	ii. Not Considered in Consolidation (₹ Crore)	0.49	11.31
		0.44	*10.51*

Sl. No.	Name of Joint Ventures	OneIndia BSC Private Limited	Aakaash Manufacturing Company Private Limited
1	Latest audited Balance Sheet Date	December 31, 2021	December 31, 2021
	Shares of Joint Venture held by the Company on the year end	25,01,000	4,401
	Amount of Investment in Joint Venture (₹ Crore)	2.50	6.01
2	Extend of Holding (%)	50%	40%
3	Description of how there is significant influence	NA	NA
4	Reason why the joint venture is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	6.67	8.90
		6.55	*8.08*
6	Other Comprehensive Income for the year (₹ Crore)	0.25	4.85
		(1.30)	*1.61*
	i. Considered in Consolidation (₹ Crore)	0.12	1.94
		(0.65)	*0.64*
	ii. Not Considered in Consolidation (₹ Crore)	0.13	2.91
		(0.65)	*0.97*

Notes:

(a) *During the previous year, the Company divested 100% stake in its wholly-owned subsidiary company National Limestone Company Private Limited under a Share Purchase Agreement dated November 18, 2020.

(b) There is significant influence due to percentage (%) of equity Share capital.

(c) Figures in italics pertain to previous year.

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA
Chief Financial Officer

RAJIV CHOUBEY
Company Secretary
ACS: 13063

MARTIN KRIEGNER
Director
DIN: 00077715

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

NEERAJ AKHOURY
Director
DIN: 07419090

Mumbai, February 09, 2022

Independent Auditor's Report

To The Members of ACC Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of ACC Limited "the Parent" and its sub-section, (the Parent and its subsidiaries together referred to as "the Group") and includes the Group's Share of Profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at December 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which includes four joint operations of a subsidiary (consolidated on a proportionate basis with the subsidiary).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries (which include four joint operations), associates and joint venture referred to in the Other Matters Section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at December 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter Section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Notes 42(a) and 42(b) of the consolidated financial statements, which describes the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹1147.59 Crore for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), (which replaced the Competition Appellate Tribunal (COMPAT) effective May 26, 2017), in its order passed on July 25, 2018 had upheld the CCI's Order. The Company's appeal against the said judgement of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 05, 2018 with a direction that the interim order passed by the Tribunal would continue.

b) In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated January 19, 2017, had imposed a penalty of ₹35.32 Crore on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT had stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

Based on the Company's assessment on the outcome of these appeals supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these consolidated financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report

To The Members of ACC Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of ACC Limited ”the Parent” and its sub-section, (the Parent and its subsidiaries together referred to as “the Group”) and includes the Group’s Share of Profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at December 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which includes four joint operations of a subsidiary (consolidated on a proportionate basis with the subsidiary).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries (which include four joint operations), associates and joint venture referred to in the Other Matters Section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at December 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter Section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Notes 42(a) and 42(b) of the consolidated financial statements, which describes the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹1147.59 Crore for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company’s appeal, National Company Law Appellate Tribunal (NCLAT), (which replaced the Competition Appellate Tribunal (COMPAT) effective May 26, 2017), in its order passed on July 25, 2018 had upheld the CCI’s Order. The Company’s appeal against the said judgement of NCLAT before the Hon’ble Supreme Court was admitted vide its order dated October 05, 2018 with a direction that the interim order passed by the Tribunal would continue.

b) In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated January 19, 2017, had imposed a penalty of ₹35.32 Crore on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT had stayed the penalty pending hearing of the application. This matter is listed before the NCLAT for hearing.

Based on the Company’s assessment on the outcome of these appeals supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these consolidated financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	Auditor's Responses
1.	**Litigation, Claims and Contingent Liabilities:** Refer Notes 24, 42 and 43 to be read along with Emphasis of Matter in Independent Auditor's Report of the consolidated financial statements.) The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgement when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgement necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims (including claims receivables) and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities. • Examined the Group's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the management from external law firms to evaluate the basis used for provisions recognised or the disclosures made in the consolidated financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions.
2.	**Income tax provision:** (Refer Notes 22 and 42 of the consolidated financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgement required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes/litigations. • Provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Group's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2021 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the management's underlying key assumptions in estimating the tax provisions. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries (which include four joint operations), associates and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries (which include four joint operations), associates and joint venture, is traced from their financial statements audited by the other auditors.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group (and of its associates and joint ventures) are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group, its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements of three subsidiaries (which includes four joint operations of a subsidiary), whose financial statements reflect total assets of ₹93.21 Crore as at December 31, 2021, total revenues of ₹7.11 Crore and net cash inflows amounting to ₹2.29 Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹11.53 Crore for the year ended December 31, 2021, as considered in the consolidated financial statements, in respect of two associates and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (which includes four joint operations), associates and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid sub-section (which includes four joint operations of a subsidiary), associates and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the sub-section (which includes four joint operations), associates and joint venture companies incorporated in India, referred to in the Other Matter Section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent Company as on December 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on December 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the parent company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Group, associates and joint venture companies incorporated in India.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures (Refer Note 42 in the consolidated financial statements); or

   ii) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company, its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Saira Nainar

(Partner)

(Membership No. 040081)

(UDIN: 22040081ABAJGJ6402)

Place: Mumbai

Date: February 09, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended December 31, 2021, we have audited the internal financial controls over financial reporting of ACC Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, two associate companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ABAJGJ6402)

Place: Mumbai
Date: February 09, 2022

Consolidated Balance Sheet

as at December 31, 2021

₹ Crore

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
A. ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	6,541.42	6,508.38
b) Capital work-in-progress		1,245.04	548.11
c) Other Intangible assets	3	49.95	45.98
d) Right of use assets	4	154.61	129.89
e) Goodwill on consolidation		3.77	10.19
f) Investments in associates and joint ventures	5	131.15	121.07
g) Financial Assets			
(i) Investments	6	18.40	8.20
(ii) Loans	7	10.02	11.51
(iii) Other financial assets	8	915.78	770.05
h) Non-current Tax Assets (Net)		1,004.15	944.06
i) Other non-current assets	9	595.17	654.16
Total Non-current assets		**10,669.46**	**9,751.60**
2) Current assets			
a) Inventories	10	1,273.91	901.27
b) Financial assets			
(i) Trade receivables	11	489.02	451.41
(ii) Cash and Cash Equivalents	12	7,366.59	5,849.36
(iii) Bank balances other than Cash and Cash Equivalents	13	157.12	156.34
(iv) Loans	14	6.60	5.86
(v) Other financial assets	15	260.12	319.46
c) Current Tax Assets (Net)		-	71.26
d) Other current assets	16	813.69	690.76
		10,367.05	**8,445.72**
e) Non-current assets classified as held for sale	17	2.33	2.91
Total Current assets		**10,369.38**	**8,448.63**
TOTAL – ASSETS		**21,038.84**	**18,200.23**
B. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	18	187.99	187.99
b) Other Equity	19	14,120.84	12,511.14
Equity attributable to owners of the parent		**14,308.83**	**12,699.13**
Non-controlling interest		3.35	3.24
Total Equity		**14,312.18**	**12,702.37**
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
Lease Liabilities	20	101.37	83.98
b) Provisions	21	215.55	214.83
c) Deferred tax liabilities (Net)	22	403.70	394.79
Total Non-current liabilities		**720.62**	**693.60**
Current liabilities			
a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	46	25.33	6.30
Total outstanding dues of creditors other than micro and small enterprises		1,879.56	1,415.93
(ii) Other financial liabilities			
Lease Liabilities		24.21	18.50
Other financial liabilities	23	1,129.47	1,009.86
b) Other current liabilities	24	2,265.35	1,998.07
c) Provisions	25	15.70	15.87
d) Current tax liabilities (Net)		666.42	339.73
Total Current liabilities		**6,006.04**	**4,804.26**
Total – Liabilities		**6,726.66**	**5,497.86**
TOTAL – EQUITY AND LIABILITIES		**21,038.84**	**18,200.23**
Significant accounting policies	1		
See accompanying notes to the financial statements			

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Consolidated Statement of Profit and Loss

for the year ended December 31, 2021

₹ Crore

Particulars	Note No.	For the year ended December 31, 2021	For the year ended December 31, 2020
INCOME			
1 Revenue from operations	26	16,151.67	13,785.98
2 Other Income	27	206.71	216.74
3 Total Income (1+2)		**16,358.38**	**14,002.72**
4 Expenses			
a) Cost of materials consumed	28	2,119.57	1,673.21
b) Purchases of Stock-in-trade	29	921.19	696.89
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(174.25)	142.41
d) Employee benefits expense	31	836.16	841.21
e) Power and Fuel		3,364.77	2,574.65
f) Freight and Forwarding expense	32	3,822.99	3,416.09
g) Finance costs	33	54.62	57.08
h) Depreciation and amortisation expense	34	600.68	638.84
i) Other expenses	35	2,287.61	2,087.43
		13,833.34	**12,127.81**
Captive consumption of cement		(24.45)	(1.02)
Total Expenses		**13,808.89**	**12,126.79**
5 Profit before share of profit of associates and joint ventures and tax (3-4)		**2,549.49**	**1,875.93**
6 Share of profit in associates and joint ventures		11.65	8.93
7 Profit before exceptional items and tax (5+6)		**2,561.14**	**1,884.86**
8 Exceptional items			
a) Impairment of assets {Refer Note – 2(3)}		-	176.01
b) Restructuring cost (Refer Note – 60)		54.76	-
9 Profit before tax (7-8)		**2,506.38**	**1,708.85**
10 Tax expense	22		
a) Current tax		636.19	548.06
b) Deferred tax charge/(credit)		7.09	(269.47)
		643.28	**278.59**
11 Profit for the year (9-10)		**1,863.10**	**1,430.26**
12 Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified to profit and loss:			
(a) Re-measurement gain/(loss) on defined benefit plans	39	7.27	(6.01)
(b) Share of Re-measurement gain/(loss) on defined benefit plans of associates and joint ventures (net of tax)		(0.01)	(0.04)
(ii) Income tax relating to items that will not be reclassified to profit and loss	22	(1.83)	(8.53)
Other Comprehensive Income for the year, net of tax		**5.43**	**(14.58)**
13 Total Comprehensive Income for the year (11+12)		**1,868.53**	**1,415.68**
12 Profit Attributable to:			
Owners of the Company		1,862.99	1,430.18
Non-controlling interests		0.11	0.08
Profit for the year		**1,863.10**	**1,430.26**
13 Other comprehensive income Attributable to:			
Owners of the Company		5.43	(14.58)
Non-controlling interests		-	-
Other comprehensive income		**5.43**	**(14.58)**
14 Total comprehensive income Attributable to:			
Owners of the Company		1,868.42	1,415.60
Non-controlling interests		0.11	0.08
Total comprehensive income		**1,868.53**	**1,415.68**
15 Earnings per equity share of ₹10 each:	36		
(a) Basic ₹		99.21	76.16
(b) Diluted ₹		98.94	75.98
Significant accounting policies	1		
See accompanying notes to the financial statements			

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Consolidated Statement of Changes in Equity
for the year ended December 31, 2021

Consolidated Statement of Changes in Equity
for the year ended December 31, 2021

A. EQUITY SHARE CAPITAL

	Note No.	₹ Crore
As at January 01, 2020	18	187.99
Issue of equity shares		-
As at December 31, 2020	18	187.99
Issue of equity shares		-
As at December 31, 2021	18	**187.99**

B. OTHER EQUITY

For the year ended December 31, 2021

₹ Crore

	Reserves and surplus (Refer Note – 19)				Total attributable to owners of the Company	Attributable to non-controlling interest	Total other equity
	Securities premium	General reserve	Capital contribution from parent	Retained earnings			
As at January 01, 2021	**845.03**	**2,796.78**	**3.29**	**8,866.04**	**12,511.14**	**3.24**	**12,514.38**
Profit for the year	-	-	-	1,862.99	1,862.99	0.11	1,863.10
Other Comprehensive Income for the year, net of tax	-	-	-	5.43	5.43	-	5.43
Total comprehensive income for the year	-	-	-	1,868.42	1,868.42	0.11	1,868.53
Employee Share-based payments (Refer Note – 56)	-	-	4.18	-	4.18	-	4.18
Final dividend paid for 2020 (Refer Note – 54)	-	-	-	(262.90)	(262.90)	-	(262.90)
As at December 31, 2021	**845.03**	**2,796.78**	**7.47**	**10,471.56**	**14,120.84**	**3.35**	**14,124.19**

For the year ended December 31, 2020

₹ Crore

	Reserves and surplus (Refer Note – 19)				Total attributable to owners of the Company	Attributable to non-controlling interest	Total other equity
	Securities premium	General reserve	Capital contribution from parent	Retained earnings			
As at January 01, 2020	**845.03**	**2,796.78**	**0.63**	**7,713.34**	**11,355.78**	**3.16**	**11,358.94**
Profit for the year	-	-	-	1,430.18	1,430.18	0.08	1,430.26
Other Comprehensive Income for the year, net of tax	-	-	-	(14.58)	(14.58)	-	(14.58)
Total comprehensive income for the year	**-**	**-**	**-**	**1,415.60**	**1,415.60**	**0.08**	**1,415.68**
Employee Share-based payments (Refer Note – 56)	-	-	2.66	-	2.66	-	2.66
Interim dividend paid for 2019 (Refer Note – 54)	-	-	-	(262.90)	(262.90)	-	(262.90)
As at December 31, 2020	**845.03**	**2,796.78**	**3.29**	**8,866.04**	**12,511.14**	**3.24**	**12,514.38**

See accompanying notes to the financial statements

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Consolidated Statement of Cash Flow
for the year ended December 31, 2021

₹ Crore

Particulars	Note No.	For the year ended December 31, 2021	For the year ended December 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax		2,506.38	1,708.85
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	34	600.68	638.84
Impairment of assets	2	-	176.01
Provision for restructuring cost		47.42	-
Expected credit loss on non-current financial assets	35	-	128.92
Impairment of goodwill in Subsidiary Company	55	6.42	-
(Profit)/ Loss on sale/ write-off of Property, Plant and Equipment and Other Intangible assets (net)	35 & 27	(1.68)	10.96
Gain on termination of leases	27	(0.61)	(2.38)
Gain on sale of current financial assets measured at FVTPL	27	(9.54)	(15.83)
Gain on sale of investment in Subsidiary Company	27	-	(12.91)
Interest income	27	(194.61)	(185.46)
Finance costs	33	54.62	57.08
Impairment losses/(reversal) on trade receivables (net)	35	(10.87)	37.34
Provision for slow and non-moving Stores & Spares (net)	10	6.85	7.96
Provision no longer required written back	26	(7.33)	(5.80)
Net gain on fair valuation of current financial assets measured at FVTPL	27	(0.27)	(0.16)
Employee share-based payments	31	4.18	2.66
Share of profit in associates and joint ventures	38	(11.65)	(8.93)
Fair Value movement in Derivative Instruments		-	0.28
Unrealised exchange loss (net)		0.90	0.34
Operating profit before working capital changes		**2,990.89**	**2,537.77**
Changes in Working Capital:			
Adjustments for Decrease/(Increase) in operating assets:			
(Increase)/Decrease in Inventories	10	(379.49)	232.34
(Increase)/Decrease in Trade receivable	11	(26.74)	137.83
Increase in other assets	8, 9, 15 -17	(190.90)	(66.41)
Adjustments for Increase/(Decrease) in operating liabilities:			
Increase/(Decrease) in Trade payables		489.09	(47.29)
Decrease in Provision	21 & 25	(2.69)	(49.06)
Increase in Other liabilities	23-24	240.99	180.86
Cash generated from operations		**3,121.15**	**2,926.04**
Direct taxes paid including interest on Income tax – (Net of refunds)		(285.66)	(706.85)
Net Cash flow from operating activities		**2,835.49**	**2,219.19**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Loans to Joint Venture	7	(0.02)	(0.02)
Investment in Equity shares	6	(10.20)	(4.50)
Proceeds from sale of investment in Subsidiary Company		-	20.00
Purchase of Property, Plant and Equipment and Other Intangible assets (Including Capital work-in-progress and Capital Advances)			
Capex for increases in operating capacity		(612.92)	(409.30)
Capex for efficiency improvement and maintaining operating capacity		(562.44)	(339.23)
Proceeds from sale of Property, Plant and Equipment and Other Intangible assets		22.02	0.68
Net proceeds from sale of mutual funds		9.54	15.83
Investment in bank and margin money deposits (having original maturity for more than 12 months)	8	(13.46)	(3.81)
Redemption of bank and margin money deposits (having original maturity for more than 12 months)	8	6.42	1.40
Investment in bank and margin money deposits (having original maturity for more than 3 months)	13	(10,252.47)	(7,238.00)
Redemption of bank and margin money deposits (having original maturity for more than 3 months)	13	10,247.00	7,234.37
Investment in certificate of deposits		-	(750.00)
Redemption of certificate of deposits		-	750.00
Dividend received from Associate/Joint venture		1.56	0.29
Interest received		176.96	187.14
Net cash used in investing activities		**(988.01)**	**(535.15)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(31.63)	(39.87)
Payment of Lease Liabilities (Refer Note – 40 (II) for reconciliation of liabilities)		(35.99)	(24.59)
Dividend paid	54	(262.90)	(262.90)
Net cash used in financing activities		**(330.52)**	**(327.36)**
Net increase in cash and cash equivalents		**1,516.96**	**1,356.68**
Add: Cash and cash equivalents at the beginning of the year	12	5,849.36	4,492.53
Less: Transfer on sale of investment in Subsidiary Company		-	(0.01)
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	27	0.27	0.16
Cash and cash equivalents at the end of the year	**12**	**7,366.59**	**5,849.36**
See accompanying notes to the financial statements			

Note:
Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash Flow Statements.

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

Corporate Information

ACC Limited ("the Company/Parent") is a public company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on The National Stock Exchange of India (NSE) and The Bombay Stock Exchange Ltd (BSE) of India. The registered office of the Company is located at Cement House, 121 Maharshi Karve Road, Mumbai – 400 020, India.

The consolidated financial statements comprise the financial statements of ACC Limited ("the Company") and its subsidiaries (collectively, the Group).

The Group a member of the Holcim Group (Erstwhile LafargeHolcim), is principally engaged in the business of manufacturing and selling of Cement and Ready-Mix Concrete. The Group has manufacturing facilities across India and caters mainly to the domestic market.

Information on the Group's structure is provided in Note – 37. Information on related party relationship of the Group is provided in Note – 44.

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on February 09, 2022.

(ii) Basis of Preparation

The Consolidated Financial Statements comprises the financial statements of ACC Limited ("the Company/ Parent") and its subsidiaries (collectively, the Group) for the year ended December 31, 2021.

These Consolidated Financial Statements have been prepared on a historical cost basis, except for the following material items in the Consolidated Balance Sheet:

a) Certain financial assets and liabilities are measured at fair value (Refer Note 1(xiv) for accounting policy on Financial Instruments)

b) Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation

d) Investments in associates and joint ventures which are accounted for using the equity method

e) Employee share-based payments measured at fair value.

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

The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

i. Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii. Level 2 — inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 — inputs that are unobservable for the asset or liability.

(iii) Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian Rupees (₹) which is the functional currency of the Group.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

(iv) Basis of Consolidation

a) The Consolidated Financial Statements incorporate the financial statements of the Company, entities controlled by the Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

ii. Exposure, or rights, to variable returns from its involvement with the investee, and

iii. The ability to use its power over the investee to affect its returns

b) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

c) When the Group has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. a contractual arrangement with the other vote holders of the investee

ii. rights arising from other contractual arrangements

iii. the Group's voting rights and potential voting rights

iv. the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

v. any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

d) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

e) The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of parent company i.e. December 31, 2021.

f) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

g) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity shareholders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

h) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

i) When the Group loses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary.

ii. Derecognises the carrying amount of any non-controlling interests.

iii. Recognises the fair value of the consideration received.

iv. Recognises the fair value of any investment retained when control is lost. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

v. Recognises any resulting difference as a gain or loss in the Consolidated Statement of Profit and Loss attributable to the parent.

vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

j) Consolidation procedure:

i. Combines like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

ii. Offsets (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (refer policy on business combinations for accounting for any related goodwill).

iii. Eliminates in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Deferred tax effects are given for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions as per Ind AS 12 "Income Taxes".

(v) Interests in associates and Joint arrangements

a) Interests in Associate

An Associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Significant influence is generally presumed to exist when the Group holds 20% or more of the voting power of an investee. Investments in associates are accounted for using equity method of accounting (refer point c below), after initially being recognised at cost.

b) Joint Arrangement

Interests in joint arrangements are interests over which the Group exercises joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

i. Interests in Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

The Group account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

ii. Interests in Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Interests in joint ventures are accounted for using the equity method of accounting (refer point c below), after initially being recognised at cost.

c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The Group resumes recognising its share of profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the accounting policy on impairment of non-financial assets.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of investment in associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and Loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, the Group reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the assets or liabilities.

(vi) Business Combinations and Goodwill

Acquisition method

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

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

a) deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 "Employee Benefits" respectively;

b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date; and

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

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Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

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

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

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Bargain purchase

If the difference of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the business combination is regarded as bargain purchase.

In case of bargain purchase, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If such evidence exists, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Measurement period adjustments

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

Business combination among entities under common control

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

(vii) Non-controlling interests ("NCI")

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

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(viii) Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognise a contingent asset (if any) but discloses in the Consolidated Financial Statements.

(ix) Classification of Current/Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Group's normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within twelve months after the reporting date; or

d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or Cash Equivalents, the Group has ascertained its normal operating cycle as twelve months for the purpose of Current/Non-current classification of assets and liabilities.

(x) Property, Plant and Equipment

Recognition and measurement

a) Property, Plant and Equipment are stated at cost of acquisition/installation or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses if any).

Cost comprises the purchase price (net of trade discount and rebates), including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use, including relevant borrowing costs. Expenditures directly attributable to self-constructed assets during its construction period are capitalised if the recognition criteria are met.

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.

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

b) Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

c) When a major inspection is performed, its cost is recognised in the carrying amount of the Property, Plant and Equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

d) Spares which meet the definition of Property, Plant and Equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the Consolidated Statement of Profit and Loss.

e) Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at cost less accumulated impairment loss, if any. Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition/construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non current assets".

f) The accounting policy related to Leases has been disclosed in Note 1 (xxiii).

Depreciation and Amortisation

a) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. The estimated extractable mineral reserves are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis. Freehold non-mining land is not depreciated.

b) Depreciation on Property, Plant and Equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight-line method and on CPP assets using the written down value method based on their respective estimated useful lives.

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

Estimated useful lives of assets are determined based on technical parameters/assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

The Management believes that the useful lives as given above represents the period over which the assets are likely to be used.

c) Depreciation on additions to Property, Plant and Equipment is provided on a pro rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

d) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

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

f) The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

g) 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.

Derecognition

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss under "Other Income/Other Expenses" when the asset is derecognised.

(xi) Intangible Assets

Recognition and Measurement

Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax/duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

Stripping cost

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to limestone, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the limestone body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Amortisation

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

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

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

(xii) Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit.

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Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

(xiii) Inventories

Inventories are valued after providing for obsolescence, as follows:

a) **Raw Materials, Stores and Spare parts, Packing Material and Fuels**

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

b) **Work-in-progress, Finished goods and Stock-in-Trade**

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

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

(xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) **Financial assets**

The Group's financial assets comprise the following:

i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions and (f) other short-term receivables (including incentive receivable from Government) and deposits and (g) forward contract.

ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits and (b) other long-term receivables (including incentive receivable from Government) and deposits.

Initial recognition and measurement

The Group recognises a financial asset in its Consolidated Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

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

i. **Financial assets at amortised cost**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. **Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL**

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

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

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Group does not own any financial asset classified at fair value though other comprehensive income.

iii. **Financial assets at fair value through profit or loss (FVTPL)**

Debt instrument at FVTPL

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income' line item of Consolidated Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'Other Income' line item of the Consolidated Statement of Profit and Loss.

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

The Group has not designated investment in any equity instruments as FVTOCI.

Derivative Financial Instruments:

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Consolidated Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group does not hold derivative financial instruments for speculative purposes.

Derecognition of financial asset
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's financial statements) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  a) the Group has transferred substantially all the risks and rewards of the asset, or

  b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

  On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and Loss.

Impairment of financial assets
In accordance with Ind AS 109 "Financial Instruments", the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, bond; and

b) trade receivables and other receivables (including incentive receivable from Government).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

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

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Consolidated Statement of Profit and Loss. This amount is reflected in a separate line in the Consolidated Statement of Profit and Loss under the head 'Other expenses' as an impairment gain or loss.

b) Financial liabilities and equity instruments

Classification as debt or equity
An instrument issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities
The Group's financial liabilities mainly comprise (a) trade payables, (b) liability for capital expenditure (c) security deposit (d) other payables (e) Lease liabilities and (f) forward contract.

Initial recognition and measurement
The Group recognises a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

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

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

Subsequent measurement
Financial liabilities at amortised cost
This is the category most relevant to the Group. All the financial liabilities of the Group are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Group does not owe any financial liability which is either classified or designated at fair value though profit or loss.

Derecognition of financial liabilities
A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Consolidated Statement of Profit and Loss) when, and only when, the obligation under the liability is discharged or cancelled or expires.

An exchange with a lender of debt instruments with substantially different terms is accounted

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for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "Financial Instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

(xv) Effective interest method

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

(xvi) Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statement of Profit and Loss.

(xvii) Foreign Currency Transactions/Translations

These financial statements are presented in Indian Rupees (₹).

Transactions in currencies other than Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

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

(xviii) Revenue recognition

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 for those goods or services.

Sale of goods

Revenue from the sale of the Group's core products Cement and Ready-Mix Concrete is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms 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. 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 the customer concerned, which is consistent with market practice.

Contract Balances

Trade receivables

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

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

Contract liabilities

Contract liabilities, which is a group's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in Note no. 24. Contract liabilities are recognised as revenue when the Group performs under the contract.

Rendering of services

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

Interest income and royalties

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

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

(xix) Retirement and other employee benefits

a) **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) **Defined Contribution Plans**

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

c) **Defined Benefit Plans**

The Group's gratuity scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Provident Fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

Defined benefit costs are categorised as follows:

i. The current service cost of the defined benefit plans, recognised in the Consolidated Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Consolidated Statement of Profit and Loss when they occur.

ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Finance cost in the Consolidated Statement of Profit and Loss.

iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Consolidated Statement of Profit and Loss in subsequent periods.

d) **Accumulated Compensated Absences**

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

e) **Other Long-term benefits**

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Group's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Consolidated Statement of Profit and Loss.

f) **Termination benefits**

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

i. when the Group can no longer withdraw the offer of those benefits; and

ii. when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits.

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

g) **Presentation and disclosure**

For the purpose of presentation of Defined benefit plans, the allocation between the current and non current provisions has been made as determined by an actuary. The Group presents the entire compensated absences as short-term provisions, since employee has an unconditional right to avail the leave at any time during the year.

h) **Employee share-based payments**

The Ultimate holding Company of the Group operates various equity-settled performance share plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognised in the Consolidated Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Consolidated Statement of Profit and Loss for a period represents movement in the cumulative expenses recognised as at the beginning and end of that period.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account / Capital Contribution from Parent is transferred to other equity.

(xx) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets held for sale are not depreciated or amortised.

(xxi) Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(xxii) Taxation

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

Current income tax

Current income tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

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

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

Deferred tax

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of tax expense of respective group entities and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities in respective group entities, whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

(xxiii) Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

i. the contract involves the use of an identified asset;

ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Group has the right to direct the use of the asset.

Group as a lessee:

Right-of-use assets ("ROU")

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

Right of use assets	Average (Range) lease terms (in years)
Buildings	8
Land	8-99
Machines	6
Furniture and Vehicles	5

The right of use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Group uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Consolidated Statement of Profit or Loss.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease term

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

Presentation

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and related cash flows are classified as financing activities in the Consolidated Statement of Cash Flows.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (in the range of ₹4,00,000 to ₹16,00,000 for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The related cash flows are classified as operating activities in the Consolidated Statement of Cash Flows.

Group as a lessor:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Consolidated Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

(xxiv) Segment Reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of Directors of the Group has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue/ expenses/ assets/ liabilities'.

Segment policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

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

(xxv) Cash and Cash equivalents

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

(xxvi) Government Grants and Subsidies

a) Grants and subsidies from the Government are recognised when the Group will comply with all the conditions attached to them and there is a reasonable assurance that the grant/subsidy will be received.

b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable.

c) Where the government grant/subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss, under other operating revenue over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

d) Where the grant or subsidy relates to an asset, it is presented in the balance sheet by setting up the grant as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

(xxvii) Earnings Per Share

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

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

(xxviii) Exceptional items

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and disclosed separately in the financial statements.

(xxix) Use of Estimates and Judgements

The preparation of the Group's Consolidated Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below:

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

Leases

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Useful lives of Property, Plant and Equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the asset.

Impairment of investments in joint ventures and associates

Determining whether the investments in joint ventures and associates are impaired requires an estimate of the value of use of investments. In considering the value in use, the management has anticipated the capacity utilisation of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses/operations of the companies. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of investments.

Incentives under the State Industrial Policy

The Group's manufacturing units in various states are eligible for incentives under the respective State Industrial Policy. The Group accrues these incentives as refund claims in respect of VAT/GST paid, on the basis that all attaching conditions were fulfilled by the Group and there is reasonable assurance that the incentive claims will be disbursed by the State Governments.

The Group measures expected credit losses in a way that reflects the time value of money. Any subsequent changes to the estimated recovery period could impact the carrying value of Incentives receivable.

(xxx) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 01, 2022.

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Company for the financial year starting January 01, 2022.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (x) for accounting policy on Property, Plant and Equipment.

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT			NET CARRYING VALUE	
	As at January 01, 2021	Additions	Disposals/ Adjustments	As at December 31, 2021	As at January 01, 2021	Depreciation charge for the year	Disposals / Adjustments	As at December 31, 2021	As at January 01, 2021	Transfer from Capital work in progress (Refer Note - 3 below)	As at December 31, 2021	As at December 31, 2021	As at December 31, 2020
Tangible Assets													
Freehold Non-Mining Land	138.24	1.03	-	139.27	-	-	-	-	-	-	-	139.27	138.24
Freehold Mining Land	344.24	7.91	-	352.15	1.26	0.23	-	1.49	-	-	-	350.66	342.98
Buildings	1,781.41	112.69	6.94	1,887.16	366.84	81.11	2.88	445.07	29.27	4.11	33.38	1,408.71	1,385.30
Plant and Equipment	6,892.91	488.63	45.74	7,335.80	2,379.34	441.64	23.52	2,797.46	116.75	10.52	127.27	4,411.07	4,396.82
Railway Sidings	275.79	8.55	-	284.34	98.48	21.90	-	120.38	1.43	-	1.43	162.53	175.88
Furniture and Fixtures	34.01	1.42	0.29	35.14	18.45	3.01	0.22	21.24	0.27	0.03	0.30	13.60	15.29
Vehicles	94.90	6.23	1.09	100.04	47.85	10.59	0.87	57.57	10.14	-	10.14	32.33	36.91
Office Equipment	70.96	17.78	3.73	85.01	53.47	11.43	3.67	61.23	0.53	-	0.53	23.25	16.96
Total	**9,632.46**	**644.24**	**57.79**	**10,218.91**	**2,965.69**	**569.91**	**31.16**	**3,504.44**	**158.39**	**14.66**	**173.05**	**6,541.42**	**6,508.38**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at January 01, 2020	Additions	Disposals Adjustments	As at December 31, 2020	As at January 01, 2020	Depreciation charge for the year	Impairment losses recognised in the year (Refer Note - 3 below)	Disposals / Adjustments	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Tangible Assets											
Freehold Non-Mining Land	134.40	3.84	-	138.24	-	-	-	-	-	138.24	134.40
Freehold Mining Land	340.66	3.62	0.04	344.24	1.04	0.22	-	-	1.26	342.98	339.62
Leasehold Land (Refer Note – 4 below)	39.51	-	39.51	-	1.86	-	-	1.86	-	-	37.65
Buildings	1,717.77	73.45	9.81	1,781.41	290.82	83.45	29.27	7.43	396.11	1,385.30	1,426.95
Plant and Equipment	6,706.58	231.05	44.72	6,892.91	1,936.16	479.07	116.75	35.89	2,496.09	4,396.82	4,770.42
Railway Sidings	259.33	16.46	-	275.79	76.51	21.97	1.43	-	99.91	175.88	182.82
Furniture and Fixtures	29.62	4.91	0.52	34.01	15.70	3.15	0.27	0.40	18.72	15.29	13.92
Vehicles	88.24	8.44	1.78	94.90	37.90	10.79	10.14	0.84	57.99	36.91	50.34
Office Equipment	66.28	5.67	0.99	70.96	45.51	8.92	0.53	0.96	54.00	16.96	20.77
Total	**9,382.39**	**347.44**	**97.37**	**9,632.46**	**2,405.50**	**607.57**	**158.39**	**47.38**	**3,124.08**	**6,508.38**	**6,976.89**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

Notes:

1. Buildings include cost of shares ₹12,050 *(Previous year – ₹34,600)* in various Co-operative Housing Societies, in respect of 8 *(Previous year – 17)* residential flats.

2. a) The Company is in the process of obtaining the title deeds of Freehold mining land of ₹131.53 Crore *(Previous year – ₹131.53 Crore)* and Building amounting to net block of ₹4.39 core (previous year - ₹ NIL) which is included in Property, Plant and Equipment.

   b) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except for 1 case of leasehold land (under ROU assets in current year) amounting to net block of ₹1.98 Crore *(Previous year – ₹2.04 Crore)*, 2 cases of freehold land amounting to net block of ₹1.37 Crore *(Previous year – ₹1.37 Crore)* and 2 cases of Buildings amounting to net block of ₹12.11 Crore *(Previous year – ₹11.18 Crore)* respectively as at December 31, 2020 for which title deeds are in the name of the erstwhile Company that merged with the Company.

3. During the previous year, considering lower profitability due to higher input cost, the Company had suspended part of it's operations at Madukkarai plant. The Company carried out a review of the recoverable amount of the tangible assets and capital work in progress used in the cement manufacturing facility at Madukkarai. The recoverable amount from such tangible assets and capital work in progress at Madukkarai plant was assessed to be lower than it's total carrying amount and consequently an impairment loss of ₹176.01 Crore (including Capital work in progress ₹17.62 Crore) was recognised and disclosed as an exceptional item. The discount rate used in measuring recoverable value was 10.64 per cent per annum. The future cash flows are derived from the detailed budgets and forecast for the next three years. Steady growth rate of 4 per cent per annum is applied beyond the forecast period. There is no change on re-assessment in the current year.

   In the current year out of the total impairment charge of ₹17.62 Crore on Capital work in progress, provision of ₹14.66 Crore has been transferred to tangible assets on capitalisation.

4. Upon introduction of Ind AS 116 Leases effective January 01, 2020, all Finance Lease assets amounting to net block of ₹37.61 Crore identified under the earlier Ind AS 17 Leases, were reclassified to Right of use assets.

5. Capital work-in-progress as at December 31, 2021 is ₹1,245.04 Crore *(Previous year – ₹548.11 Crore)* comprises of expansions projects and others various projects .

   Major Capital Work-in-Progress are related to following projects:

   ₹ Crore

Project	2021	2020
Greenfield integrated cement plant in Ametha	433.26	65.14
Expansion of the existing grinding unit in Tikaria	253.26	10.63
Expansion of the existing grinding unit in Sindri	-	168.36
Waste Heat Recovery System (WHRS)	128.17	38.08
Efficiency improvement and maintaining operating capacity	430.35	265.90
Total	**1,245.04**	**548.11**

   There are no projects where activity has been suspended.

   Refer Note – 49 for the amount of expenditures recognised in the carrying amount of Property, Plant and Equipment/ Capital work-in-progress(CWIP) in the course of its construction.

6. Depreciation charge for the year include ₹0.07 Crore *(Previous year – ₹ Nil)* capitalised as pre-operative expenses (Refer Note – 49).

7. For contractual commitment with respect to Property, Plant and Equipment, Refer Note – 41.

NOTE 3: OTHER INTANGIBLE ASSETS

Refer Note 1 (xi) for accounting policy on Intangible Assets.

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Amortisation charge for the year	Disposals	As at December 31, 2021	As at December 31, 2021	As at December 31, 2020
Intangible Assets										
Computer Software	3.92	2.59	0.03	6.48	2.89	1.31	0.03	4.17	2.31	1.03
Mining Rights	60.87	6.61	-	67.48	15.92	3.92	-	19.84	47.64	44.95
Total	64.79	9.20	0.03	73.96	18.81	5.23	0.03	24.01	49.95	45.98

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2020	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Amortisation charge for the year	Disposals	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Intangible Assets										
Computer Software	2.90	1.02	-	3.92	2.70	0.19	-	2.89	1.03	0.20
Mining Rights	46.28	14.59	-	60.87	12.21	3.71	-	15.92	44.95	34.07
Total	49.18	15.61	-	64.79	14.91	3.90	-	18.81	45.98	34.27

NOTE 4. RIGHT OF USE ASSETS

Refer Note 1 (xxiii) for accounting policy on Leases

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Amortisation charge for the year	Disposals	As at December 31, 2021	As at December 31, 2021	As at December 31, 2020
Leasehold Land	111.02	31.01	2.18	139.85	13.96	13.34	2.18	25.12	114.73	97.06
Buildings	4.95	-	1.06	3.89	1.46	0.70	1.06	1.10	2.79	3.49
Plant and Equipment	39.35	20.36	4.03	55.68	10.29	11.41	2.99	18.71	36.97	29.06
Vehicles	0.44	-	-	0.44	0.16	0.16	-	0.32	0.12	0.28
Total	155.76	51.37	7.27	199.86	25.87	25.61	6.23	45.25	154.61	129.89

₹ Crore

Particulars	GROSS CARRYING VALUE					ACCUMULATED AMORTISATION					NET CARRYING VALUE	
	As at January 01, 2020	Reclassified on account of Ind AS 116	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Reclassified on account of Ind AS 116	Amortisation charge for the year	Disposals	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Leasehold Land	69.69	39.47	6.93	5.07	111.02	-	1.86	12.95	0.85	13.96	97.06	-
Buildings	5.03	-	-	0.08	4.95	-	-	1.46	-	1.46	3.49	-
Plant and Equipment	56.45	-	1.27	18.37	39.35	-	-	12.80	2.51	10.29	29.06	-
Vehicles	0.44	-	-	-	0.44	-	-	0.16	-	0.16	0.28	-
Total	131.61	39.47	8.20	23.52	155.76	-	1.86	27.37	3.36	25.87	129.89	-

NOTE 5: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD (MEASURED AT COST)

Refer Note 1 (v) for accounting policy on Investment in associates and joint ventures.

	As at December 31, 2021		As at December 31, 2020	
	Numbers	₹ Crore	Numbers	₹ Crore
Investments in Unquoted equity instruments				
Investment in Associates				
Face value ₹ 10 each fully paid				
Alcon Cement Company Private Limited	4,08,001	14.22	4,08,001	14.22
Add - Share of profit		0.33		0.29
Less - Dividend received		(0.43)		(0.29)
		14.12		**14.22**
Asian Concretes and Cements Private Limited	81,00,000	88.65	81,00,000	80.05
Add - Share of profit		9.25		8.60
		97.90		**88.65**
		112.02		102.87
Investment in Joint Ventures				
Face value ₹ 10 each fully paid				
OneIndia BSC Private Limited {(Refer Note - 47 (ii)}	25,01,000	6.31	25,01,000	6.96
Add - Share of profit / (loss)		0.12		(0.65)
		6.43		**6.31**
Aakaash Manufacturing Company Private Limited	4,401	11.89	4,401	11.25
Add - Share of profit		1.94		0.64
Less - Dividend received		(1.13)		-
		12.70		**11.89**
		19.13		18.20
Total		131.15		121.07
Aggregate amount of unquoted Investments		131.15		131.15

NOTE 6: NON-CURRENT INVESTMENTS

Refer Note 1 (xiv) for accounting policy on Investments

	As at December 31, 2021		As at December 31, 2020	
	Numbers	₹ Crore	Numbers	₹ Crore
Investment at fair value through profit or loss (FVTPL)				
Investment in equity instruments (fully paid)				
Unquoted				
Face value ₹10 each fully paid				
Solbridge Energy Private Limited (Refer Note – II below)	80,23,803	10.20	-	-
Amplus Green Power Private Limited (Refer Note – III below)	25,78,592	4.50	25,78,592.00	4.50
Kanoria Sugar & General Mfg. Company Limited*	4	-	4	-
Gujarat Composites Limited*	60	-	60	-
Rohtas Industries Limited*	220	-	220	-
The Jaipur Udyog Limited*	120	-	120	-
Digvijay Finlease Limited*	90	-	90	-
The Travancore Cement Company Limited*	100	-	100	-
Ashoka Cement Limited*	50	-	50	-
Face value ₹5 each fully paid				
The Sone Valley Portland Cement Company Limited*	100	-	100	-
		14.70		4.50
Investment at amortised cost				
Investment in Unquoted bonds				
Face value ₹1,000,000 each fully paid				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Total		18.40		8.20

Notes:

(I) Aggregate value of unquoted investments. 18.40 8.20

(II) During the year, the Group has subscribed 80,23,803 equity shares in Solbridge Energy Private Limited (SEPL) representing 19.06% holding for a total consideration of ₹10.20 Crore. The SEPL has set up a solar power plant in the State of Chhattisgarh of which the Company's Jamul plant would be one of the consumers.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

(III) During the previous year, the Group subscribed 25,78,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹4.50 Crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Tikaria plant is one of the consumers.

(IV) * Each of such investments is carried at value less than ₹50,000.

Refer Note 50 for information about fair value measurement and Note 51 for credit risk and market risk of investments.

NOTE 7: NON-CURRENT – LOANS

Considered Good – Unsecured, unless otherwise stated

Refer Note 1 (xiv) for accounting policy on Loans.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Considered good – Unsecured	3.94	3.92
Receivables which have significant increase in credit risk	26.99	26.99
Less: Allowance for doubtful advances	(26.99)	(26.99)
	3.94	**3.92**
Loans to Employees	6.08	7.59
Total	**10.02**	**11.51**

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

Refer Note 51 for information about credit risk and market risk of loans.

NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Incentives under Government schemes (Net) {Refer Note – 51(i)}	717.09	606.56
Security deposits	152.56	124.40
Bank deposits with more than 12 months maturity*	31.60	30.84
Margin money deposit with more than 12 months maturity**	14.53	8.25
Total	**915.78**	**770.05**

*Lodged as security with government authorities of ₹31.44 Crore *(Previous year – ₹30.58 Crore).*

**Margin money deposit is against bank guarantees given to Government authorities.

Refer Note 51 for information about credit risk and market risk of other financial assets.

NOTE 9: OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Capital Advances	288.88	348.76
Advance other than Capital Advances		
Claim receivables from Government and Others		
Unsecured, considered good	30.07	14.24
Considered doubtful	4.21	4.21
Less: Allowance for doubtful receivables	(4.21)	(4.21)
	30.07	**14.24**
Deposits with Government bodies and others		
Unsecured, considered good	276.22	291.16
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	276.22	**291.16**
Total	**595.17**	**654.16**

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

NOTE 10: INVENTORIES

At lower of cost and net realisable value

Refer Note 1 (xiii) for accounting policy on Inventories.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Raw Materials {Including goods-in-transit ₹9.09 Crore *(Previous year – ₹2.70 Crore)*}	165.56	115.54
Work-in-progress	302.98	147.84
Finished goods	129.19	111.74
Stock-in-trade {Including goods-in-transit ₹ Nil *(Previous year – ₹4.37 Crore)*}	16.14	14.48
Stores and spares {Including goods-in-transit ₹12.70 Crore *(Previous year – ₹13.99 Crore)*}	214.32	249.74
Packing Materials	40.42	24.07
Fuels {Including goods-in-transit ₹100.05 Crore *(Previous year – ₹10.69 Crore)*}	405.30	237.86
Total	**1,273.91**	**901.27**

The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is ₹6.85 Crore *(Previous year – ₹7.96 Crore).* There has been no reversal of such write down in current and previous year.

NOTE 11: TRADE RECEIVABLES

Refer Note 1 (xiv) for accounting policy on Trade receivables.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Considered good – Secured	21.53	35.95
Considered good – Unsecured*	467.49	415.46
Receivables which have significant increase in credit risk {Refer Note 51(i)}	55.29	67.29
	544.31	**518.70**
Less : Allowance for doubtful receivables	(55.29)	(67.29)
Total	**489.02**	**451.41**

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

*Refer Note 44 for receivables from related parties.

Refer Note 51 for information about credit risk of trade receivables.

NOTE 12: CASH AND CASH EQUIVALENTS

Refer Note 1 (xxv) for accounting policy on Cash and Cash Equivalents.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Balances with banks:		
- In current accounts	145.62	140.86
- Deposits with original maturity of less than three months	6,587.51	4,842.86
	6,733.13	**4,983.72**
Deposit with other than banks with original maturity of less than three months	250.00	250.00
Post office saving accounts	0.01	0.01
	6,983.14	**5,233.73**
Investments in liquid mutual funds measured at FVTPL	383.45	615.63
Total	**7,366.59**	**5,849.36**

As at December 31, 2021, the Company has sanctioned and available undrawn borrowing facilities of ₹130.80 Crore *(Previous year – ₹130.80 Crore).* There are no restrictions on the use of these facilities. The amount of undrawn borrowing facilities are available for future operating activities and to settle capital commitments.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 13: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Refer Note 1 (xiv) for accounting policy on Bank balances other than Cash and Cash Equivalents.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Other bank balances:		
*Deposits with original maturity for more than 3 months but less than 12 months	132.01	127.85
**Margin money deposits with original maturity for more than 3 months but less than 12 months	1.31	-
#On unpaid dividend accounts	23.80	28.49
Total	157.12	156.34

* Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹131.83 Crore {*(Previous year – ₹127.68 Crore)* – Refer Note – 42 (a)}.

** Margin money deposit is against bank guarantees given to Government authorities.

These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

NOTE 14: CURRENT – LOANS

Considered good – unsecured

Refer Note 1 (xiv) for accounting policy on Loans.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Loan to Employees	6.60	5.86
Total	6.60	5.86

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

Refer Note 51 for credit risk and market risk of loans.

NOTE 15: OTHER CURRENT FINANCIAL ASSETS

Refer Note 1 (xiv) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Incentives under Government schemes	187.66	256.58
Security deposits	57.74	53.13
Interest Accrued on Investments	13.55	8.25
Other Accrued Interest	1.17	1.50
Total	260.12	319.46

Refer Note 51 for credit risk and market risk of other financial assets.

NOTE 16: OTHER CURRENT ASSETS

Considered Good – Unsecured, unless otherwise stated

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Advances other than capital advances		
Advances to suppliers	327.11	259.38
Prepaid expenses	46.68	55.26
Other receivables		
Balances with statutory/government authorities	423.61	358.79
Others	16.29	17.33
Other Receivables which have significant increase in credit risk	17.88	17.88
	34.17	**35.21**
Less: Allowance for doubtful receivables	(17.88)	(17.88)
	16.29	**17.33**
Total	813.69	690.76

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

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 17: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Refer Note 1 (xx) for accounting policy on Non-current assets held for sale.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Plant and equipment	1.28	1.76
Building	1.05	1.15
Total	2.33	2.91

(I) The Group intends to dispose off plant and equipment and Building in the next 12 months which it no longer intends to utilise. A selection of potential buyers is underway.

(II) During the year, the Company sold a flat for ₹4.25 Crore (Book Value ₹0.32 Crore) which was classified as held for sale. The resultant gain of ₹3.93 Crore has been disclosed in statement of profit and loss under Other Income.

NOTE 18: EQUITY SHARE CAPITAL

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Authorised		
22,50,00,000 *(Previous year – 22,50,00,000)* Equity shares of ₹10 each	225.00	225.00
10,00,00,000 *(Previous year – 10,00,00,000)* Preference shares of ₹10 each	100.00	100.00
Issued		
18,87,93,243 *(Previous year – 18,87,93,243)* Equity shares of ₹10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 *(Previous year – 18,77,87,263)* Equity shares of ₹10 each fully paid	187.79	187.79
Add : 3,84,060 *(Previous year – 3,84,060)* Equity shares of ₹10 each forfeited – amount originally paid	0.20	0.20
Total	187.99	187.99

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	₹ Crore
As at January 01, 2020	18,77,87,263	187.79
Increase/ (decrease) during the year	-	-
As at December 31, 2020	**18,77,87,263**	**187.79**
Increase/ (decrease) during the year	-	-
As at December 31, 2021	18,77,87,263	187.79

ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

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

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Ambuja Cements Limited, the Holding company		
9,39,84,120 *(Previous year – 9,39,84,120)* Equity shares ₹10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited	8.41	8.41
84,11,000 *(Previous year – 84,11,000)* Equity shares ₹10 each fully paid		

Companies referred above are subsidiaries of Holcim Ltd, (Erstwhile LafargeHolcim), Switzerland, the ultimate holding company.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

iv) Details of shareholders holding more than 5% shares in the Company

	As at December 31, 2021		As at December 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	9,39,84,120	50.05
Life Insurance Corporation of India	1,08,27,402	5.77	95,03,365	5.06

v) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

NOTE 19: OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Securities Premium	845.03	845.03
General Reserve	2,796.78	2,796.78
Capital contribution from parent	7.47	3.29
Retained earnings	10,471.56	8,866.04
Total	**14,120.84**	**12,511.14**

The description of the nature and purpose of each reserve within equity is as follows:

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Consolidated Statement of Profit and Loss. As per Companies Act, 2013, transfer of profits to General reserve is not mandatory. General reserve is a free reserve available to the Group.

Capital Contribution from parent: Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by the parent company "Holcim Ltd" to the executives and senior management of the Group.

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

NOTE 20: NON-CURRENT FINANCIAL LIABILITY

Refer Note 1 (xxiii) for accounting policy on Leases

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Lease liabilities (Refer Note – 40)	101.37	83.98
Total	**101.37**	**83.98**

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 21: NON-CURRENT PROVISIONS

Refer Note 1 (xix) for accounting policy on Employee benefits.

Refer Note 1 (xvi) for accounting policy on Site restoration provisions.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 39)	94.65	102.35
Provision for provident fund (Refer Note – 39)	76.94	66.31
Provision for long service award	4.94	5.77
Other provisions		
Provision for Site Restoration (Refer Note – 21.1 below)	39.02	40.40
Total	**215.55**	**214.83**

Note 21.1 – Movement of provisions during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Opening Balance	40.40	33.44
Provision/(reversal) during the year (net)	(1.57)	5.49
Utilised during the year	(1.37)	(0.03)
Unwinding of discount	1.56	1.50
Closing Balance	39.02	40.40

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

NOTE 22: INCOME TAX

Refer Note 1 (xxii) for accounting policy on Taxation.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2021:

	For the year ended December 31, 2021		For the quarter ended March 31, 2020		For the nine months ended December 31, 2020		For the year ended December 31, 2020	
	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %
Profit before share of profit of associates and joint ventures and tax	2494.73		473.85		1,226.07		1,699.92	
At India's statutory income tax rate (Refer Note (a) below)	627.92	25.17%	165.56	34.94%	308.61	25.17%	474.17	27.89%
Effect of Allowances for tax purpose								
Tax Holiday claim under Section 80-IA (Up to March 31, 2020)	(0.39)	(0.02%)	(15.73)	(3.32%)	-	-	(15.73)	(0.93%)
Inter corporate dividends Section 80M	-	-	-	-	(0.07)	(0.01%)	(0.07)	(0.01%)
Effect of Non-Deductible expenses								
Corporate social responsibility expenses	9.05	0.37%	2.40	0.51%	6.41	0.52%	8.81	0.52%
Others	6.70	0.27%	0.83	0.18%	3.07	0.25%	3.90	0.23%
	15.36	**0.62%**	**(12.50)**	**(2.63%)**	**9.41**	**0.76%**	**(3.09)**	**(0.19%)**
At the effective income tax rate	643.28	25.79%	153.06	32.31%	318.02	25.93%	471.08	27.70%
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	-	-	-	-	(189.61)	(15.46%)	(189.61)	(11.15%)
Effect of change in tax rate on deferred tax for the period January 01 to March 31, 2020	-	-	-	-	(2.88)	(0.23%)	(2.88)	(0.17%)
Income tax expense reported in the Consolidated Statement of Profit and Loss	643.28	25.79%	153.06	32.31%	125.53	10.24%	278.59	16.38%

Notes:

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

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 April 01, 2019, subject to certain conditions. During the previous year ended December 31, 2020, the Group has adopted the option of reduced rate and accordingly, opening net deferred tax liability as on January 01, 2020 amounting to ₹179.57 Crore was reversed (net of reversal of deferred tax assets of ₹10.04 Crore in Other Comprehensive Income).

Deferred Tax:

Deferred Tax relates to the following:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Deferred Tax Liabilities:		
Depreciation and amortisation differences	623.34	623.21
Deferred Tax Liabilities on undistributed profit of associates and joint ventures	20.71	18.21
	644.05	**641.42**
Deferred Tax Assets:		
Provision for employee benefits	47.77	48.25
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	62.27	70.78
Allowance for obsolescence of Stores and Spares	7.12	7.12
Allowance for doubtful debts, advances and other assets	16.92	19.20
Right of use assets and lease liabilities differences	2.64	3.03
Expected credit loss on incentives receivable from government	32.45	32.45
Other temporary differences	71.18	65.80
	240.35	**246.63**
Net Deferred Tax Liabilities	**403.70**	**394.79**

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

₹ Crore

	Net Balance as on January 01, 2021	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	Net Balance as on December 31, 2021
Deferred Tax Liabilities:				
Depreciation and amortisation differences	623.21	0.13	-	623.34
Deferred Tax Liabilities on undistributed profit of associates and joint ventures	18.21	2.50	-	20.71
	641.42	**2.63**	**-**	**644.05**
Deferred Tax Assets:				
Provision for employee benefits	48.25	1.35	(1.83)	47.77
Expenditure debited in Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	70.78	(8.51)	-	62.27
Allowance for obsolescence of Stores and Spares	7.12	-	-	7.12
Allowance for doubtful receivables and other assets	19.20	(2.28)	-	16.92
Right of use assets and lease liabilities differences	3.03	(0.39)	-	2.64
Expected credit loss on incentives receivable from government	32.45	-	-	37.24
Other temporary differences	65.80	5.38	-	66.39
	246.63	**(4.45)**	**(1.83)**	**240.35**
Net Deferred Tax Liabilities	**394.79**	**7.08**	**1.83**	**403.70**

₹ Crore

	Net Balance as on January 01, 2020	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	Net Balance as on December 31, 2020
Deferred Tax Liabilities:				
Depreciation and amortisation differences	933.94	(310.73)	-	623.21
Deferred Tax Liabilities on undistributed profit of associates and joint venture	12.97	5.24	-	18.21
	946.91	**(305.49)**	**-**	**641.42**
Deferred Tax Assets:				
Provision for employee benefits	73.68	(16.90)	(8.53)	48.25
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	98.78	(28.00)	-	70.78
Allowance for obsolescence of Stores and Spares	9.88	(2.76)	-	7.12
Allowance for doubtful receivables and other assets	17.51	1.69	-	19.20
Right of use assets and lease liabilities differences	-	3.03	-	3.03
Expected credit loss on incentives receivable from government	-	32.45	-	32.45
Other temporary differences	91.34	(25.54)	-	65.80
	291.19	**(36.03)**	**(8.53)**	**246.63**
Net Deferred Tax Liabilities	**655.72**	**(269.46)**	**8.53**	**394.79**

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ₹19.47 Crore *(Previous year – ₹18.57 Crore)*.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set-off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

The Subsidiaries having the following unused tax losses which arose on incurrence of business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

Financial Year	Category	₹ Crore	Expiry date
2013-14	Business Loss	0.85	March 31, 2022
2014-15	Business Loss	0.05	March 31, 2023
2015-16	Business Loss	0.02	March 31, 2024
2016-17	Business Loss	0.63	March 31, 2025
2016-17	Depreciation	0.11	Not Applicable
2017-18	Business Loss	1.32	March 31, 2026
2017-18	Depreciation	0.06	Not Applicable
2018-19	Business Loss	0.31	March 31, 2027
2018-19	Depreciation	0.04	Not Applicable
2019-20	Business Loss	0.02	March 31, 2028
2020-21	Depreciation	0.02	Not Applicable
2020-21	Business Loss	1.97	March 31, 2029
	Total	5.40	

The above information is based on the returns of income filed by the individual subsidiary companies up to assessment year 2020-2021.

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (xiv) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Financial Liabilities at amortised cost		
Interest accrued	13.33	13.89
Unpaid dividends*	23.80	28.49
Security deposits and retention money	792.90	801.90
Liability for capital expenditure	136.81	36.75
Provision for employees	137.18	128.55
Others	25.45	-
Financial Liabilities at fair value		
Foreign currency forward contract	-	0.28
Total	1,129.47	1,009.86

*Investor Education and Protection Fund ('IEPF') – As at December 31, 2021, there is no amount due and outstanding to be transferred to the 'IEPF' by the Group. Unclaimed dividend, if any, shall be transferred to 'IEPF' as and when they become due.

NOTE 24: OTHER CURRENT LIABILITIES

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Contract Liability *		
Advances from customers	252.32	148.18
Other Liability		
Statutory dues payable	675.32	575.14
Rebates to customers	592.68	521.56
Other payables (including interest on income tax, etc.)	745.03	753.19
Total	2,265.35	1,998.07

* The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2021.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 25: CURRENT PROVISIONS

Refer Note 1 (xix) for accounting policy on Employee benefits.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 39)	11.59	7.49
Provision for compensated absences	3.18	7.48
Provision for long service award	0.93	0.90
Total	15.70	15.87

NOTE 26: REVENUE FROM OPERATIONS

Refer Note 1 (xviii) for accounting policy on Revenue Recognition.

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue from contracts with customers		
Sale of Manufactured products	14,724.78	12,676.52
Sale of Traded products	1,086.28	806.96
Income from services rendered	3.34	3.35
	15,814.40	**13,486.83**
Other Operating Revenue		
Provision no longer required written back	7.33	5.80
Scrap Sales	56.61	23.21
Government grants*	154.74	159.94
Miscellaneous income (including insurance claim, other services, etc.)	118.59	110.20
Total	16,151.67	13,785.98

*Government grants have been accrued for the GST refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

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

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue as per Contract price	18,226.76	15,263.40
Less: Discounts and incentives	(2,412.36)	(1,776.57)
Revenue as per Statement of Profit and Loss	15,814.40	13,486.83

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.

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

The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.There are no contracts for sale of services wherein performance obligation is unsatisfied to which transaction price has been allocated.

Disaggregation of revenue:

Refer Note 45 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 contract with customers.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 27: OTHER INCOME

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income using the effective interest rate method		
Interest on bank deposits	178.12	180.31
Interest on income tax	12.71	0.02
Other interest income	3.78	5.13
	194.61	**185.46**
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	9.54	15.83
Net gain on fair valuation of current financial assets measured at FVTPL*	0.27	0.16
Gain on sale of investment in Subsidiary Company (Refer Note – 57)	-	12.91
Net gain on disposal of Property, Plant and Equipment	1.68	-
Gain on termination of leases	0.61	2.38
	12.10	**31.28**
Total	**206.71**	**216.74**

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

NOTE 28: COST OF MATERIALS CONSUMED

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Inventories at the beginning of the year	115.54	117.44
Add: Purchases	2,169.59	1,671.31
	2,285.13	**1,788.75**
Less: Inventories at the end of the year	165.56	115.54
Total	**2,119.57**	**1,673.21**

Details of cost of materials consumed

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Slag	358.50	262.08
Gypsum	275.08	258.24
Fly Ash	447.87	332.03
Cement for Ready-Mix Concrete	149.93	109.84
Aggregates	224.39	170.75
Others*	663.80	540.27
Total	**2,119.57**	**1,673.21**

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

NOTE 29: PURCHASES OF STOCK-IN-TRADE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cement	911.71	690.26
Ready-Mix Concrete	2.84	1.88
Other Products	6.64	4.75
Total	**921.19**	**696.89**

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Inventories at the end of the year		
Stock-in-Trade	16.14	14.48
Finished Goods	129.19	111.74
Work-in-progress	302.98	147.84
	448.31	**274.06**
Inventories at the Beginning of the year		
Stock-in-Trade	14.48	7.90
Finished Goods	111.74	231.32
Work-in-progress	147.84	177.61
	274.06	**416.83**
Less: Transfer on sale of Subsidiary Company	-	0.36
	274.06	**416.47**
Total	**(174.25)**	**142.41**

NOTE 31: EMPLOYEE BENEFITS EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Salaries and Wages (Refer Note – 49)	721.89	740.45
Contributions to Provident and other Funds	66.29	63.43
Employee share-based payments (Refer Note – 56)	4.18	2.66
Staff welfare expenses	43.80	34.67
Total	**836.16**	**841.21**

NOTE 32: FREIGHT AND FORWARDING EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
On clinker transfer	584.33	489.83
On finished and semi-finished products	3,238.66	2,926.26
Total	**3,822.99**	**3,416.09**

NOTE 33: FINANCE COSTS

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest		
On Income tax	3.67	4.76
On Defined benefit obligation (Net) (Refer Note – 39)	8.95	13.76
Interest on deposits from dealers	16.19	17.14
Interest on Lease Liabilities*	9.37	9.80
Others	14.88	10.12
Unwinding of discount on site restoration provision (Refer Note – 21.1)	1.56	1.50
Total	**54.62**	**57.08**

* Subsequent to introduction of Ind AS 116 Leases, the Group has recognised Long-term leases as ROU Assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Depreciation on Property, Plant and Equipment	569.83	607.57
Amortisation of intangible assets	5.23	3.90
Depreciation on Right of use assets	25.62	27.37
Total	**600.68**	**638.84**

NOTE 35: OTHER EXPENSES

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Consumption of stores and spare parts	277.95	225.63
Consumption of packing materials	552.03	386.26
Rent*	107.26	75.59
Rates and taxes (Refer Note – 49)	97.85	77.77
Repairs	163.33	131.50
Insurance	39.34	25.79
Royalty on minerals	264.83	240.05
Advertisement	86.37	56.58
Technology and know-how fees (Refer Note –44)	154.51	132.79
Expected credit loss on Incentives under Government schemes {Refer Note – 51(i)}	-	128.92
Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note – 51(i))}	(10.87)	37.34
Corporate Social Responsibility expense (Refer Note – 2 below)	35.95	32.33
Miscellaneous expenses (Refer Note – 49 and 1 below)	519.06	536.88
Total	**2,287.61**	**2,087.43**

* Includes impact of Ind AS 116 – Leases (Refer Note – 40)

Notes:

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

   (ii) Miscellaneous expenses includes Commission on sales, Information technology services, Travelling expenses, Other third party services, etc.

   (iii) Miscellaneous expenses includes Loss on sale/write-off of Property, Plant and Equipment (net) of ₹ Nil *(Previous year – ₹10.96 Crore).*

   (iv) Miscellaneous expenses includes net loss of ₹3.20 Crore *(Previous year – ₹1.74 Crore)* on foreign currency transaction and translation.

   (v) Miscellaneous expenses includes net Loss of ₹1.29 Crore *(Previous year – ₹0.59 Crore)* on foreign currency forward contract.

2. Details of Corporate Social Responsibility expenses:

   The Company has spent ₹35.95 Crore *(Previous year – ₹32.33 Crore)* towards various schemes of Corporate Social Responsibility. The details are:

   (a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹35.44 Crore *(Previous year – ₹31.52 Crore)* i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

   (b) No amount has been spent on construction/acquisition of an asset of the Company.

   (c) Details of excess amount spent under Section 135(5) of the Companies Act, 2013.

₹ Crore

Balance excess spent as at January 01, 2021	Amount required to be spent during the year	Amount spent during the year	CSR expenses claimed in the current year	Balance excess spent as at December 31, 2021
-	35.44	35.95	35.95	-

NOTE 36: EARNINGS PER SHARE – [EPS]

Refer Note 1 (xxvii) for Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year.

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

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
Profit attributable to equity shareholders (as per Consolidated Statement of Profit and Loss)		1,862.99	1,430.18
Weighted average number of equity shares for Earnings Per Share computation			
Number of shares for Basic Earnings Per Share		18,77,87,263	18,77,87,263
Effect of dilution:			
Number of shares held in abeyance		5,06,656	4,55,369
(Movement in number of shares is on account of change in average fair value of share)			
Weighted average number of Equity shares adjusted for the effect of dilution		18,82,93,919	18,82,42,632
Earnings per share			
Face value per share		10.00	10.00
Basic	₹	99.21	76.16
Diluted	₹	98.94	75.98

NOTE 37: GROUP INFORMATION

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2021	% equity interest As at December 31, 2020
Bulk Cement Corporation (India) Limited*	Cement and cement related products	India	94.65%	94.65%
ACC Mineral Resources Limited*	Cement and cement related products	India	100%	100%
Lucky Minmat Limited*	Cement and cement related products	India	100%	100%
Singhania Minerals Private Limited*	Cement and cement related products	India	100%	100%

*The financial statements of each of the above Companies are drawn up to the same reporting date as that of the parent company, i.e. December 31, 2021.

The holding company

Ambuja Cements Limited is the holding Company of ACC Ltd and Holcim Ltd is the ultimate holding company for the Group.

Associates

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2021	% equity interest As at December 31, 2020
Alcon Cement Company Private Limited	Cement and cement related products	India	40%	40%
Asian Concretes and Cements Private Limited	Cement and cement related products	India	45%	45%

Joint ventures

Name	Principal activities	Principal place of business	% equity interest As at December 31, 2021	% equity interest As at December 31, 2020
OneIndia BSC Private Limited	Shared services	India	50%	50%
Aakaash Manufacturing Company Private Limited	Ready mixed concrete products	India	40%	40%
Joint Operations of ACC Mineral Resources Limited				
MP AMRL (Semaria) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Bicharpur) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Marki Barka) Coal Company Limited	Cement related products	India	49%	49%
MP AMRL (Morga) Coal Company Limited	Cement related products	India	49%	49%

NOTE 38: FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL:

The Company's interests in below mentioned joint ventures and associates are accounted for using the equity method in the consolidated financial statements. The summarised financial information below represents amounts shown in the associate's and joint venture's financial statements prepared in accordance with Ind AS adjusted by the Company for equity accounting purposes:

a) Joint ventures

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
OneIndia BSC Private Limited		
Group's share of profit	0.12	(0.65)
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	0.12	(0.65)
Aakaash Manufacturing Company Private Limited		
Group's share of profit	1.87	0.66
Group's share of other comprehensive income	0.07	(0.02)
Group's share of total comprehensive income	1.94	0.04

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Aggregate carrying amount of the Group's interests in these Joint ventures		
OneIndia BSC Private Limited	6.43	6.31
Aakaash Manufacturing Company Private Limited	12.70	11.89

b) Associates

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Alcon Cement Company Private Limited		
Group's share of profit	0.41	0.31
Group's share of other comprehensive income	(0.08)	(0.02)
Group's share of total comprehensive income	0.33	0.29
Asian Concretes and Cements Private Limited		
Group's share of profit	9.25	8.60
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	9.25	8.60

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Aggregate carrying amount of the Group's interests in these Associates		
Alcon Cement Company Private Limited	14.12	14.22
Asian Concretes and Cements Private Limited	97.90	88.65

NOTE 39: EMPLOYEE BENEFITS

Refer Note 1 (xix) for accounting policy on Employee benefits

a) **Defined Contribution Plans** – Amount recognised and included in Note 31 "Contributions to Provident and other Funds" of Consolidated Statement of Profit and Loss ₹15.10 Crore *(Previous year – ₹15.97 Crore).*

b) **Defined Benefit Plans** – As per actuarial valuation on December 31, 2021.

The Group has defined benefit gratuity, additional gratuity and Trust managed provident fund plan.

i. The Group operates a Gratuity Plan through a trust for all its employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 01, 2005 and separates from service of the Group on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded.

This plan was discontinued with effect from April 30, 2020 for all the eligible employees of management category and benefits accrued was disbursed to the employees.

iii. Post Employment Medical Benefit plans – This plan was discontinued with effect from July 01, 2020.

iv. Refer Note – (c) for Provident fund scheme.

Governance and Investment Strategy

The gratuity and provident fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The trust has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Group of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Each year, the Board of Trustees and the Group review the level of funding. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Group decides its contribution based on the results of this annual review.

Every year an Asset-Liability-Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, takes appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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

Interest risk – A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

Salary risk – The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined Benefit Plans as per Actuarial valuation on December 31, 2021

₹ Crore

		Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non-Funded	
I.	Expense recognised in the Consolidated Statement of Profit and Loss – for the year ended December 31, 2021			
	Components recognised in the Consolidated Statement of Profit and Loss			
1	Current service cost	16.05	8.93	-
		15.16	*8.84*	-
2	Net Interest cost	0.48	6.16	-
		2.01	*7.39*	*0.60*
3	Loss on Curtailments	-	-	-
		-	*1.48*	-
4	Gain on settlements	-	(10.34)	-
		-	-	*(9.31)*
5	Net benefit expense	16.53	4.75	-
		17.17	*17.71*	*(8.71)*
	Components recognised in Consolidated other comprehensive income (OCI)			
6	Actuarial (gains)/losses arising from change in financial assumptions	(7.53)	(3.83)	-
		7.86	*4.58*	-

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

₹ Crore

	Gratuity (Including additional gratuity) Funded	Gratuity (Including additional gratuity) Non-Funded	Post employment medical benefits (PEMB)
7 Actuarial (gains)/losses arising from change in experience adjustments	(2.01)	2.18	-
	(0.01)	*(6.04)*	*(0.43)*
8 Actuarial (gains)/losses arising from change in demographic assumptions	-	-	-
	(0.29)	-	-
9 (Gain)/loss on plan assets (Excluding amount included in net interest expenses)	(0.40)	-	-
	(4.12)	-	-
10 Sub-total – Included in OCI	(9.94)	(1.65)	-
	3.44	*(1.46)*	*(0.43)*
11 Total expense (5 + 10)	6.59	3.10	-
	20.61	*16.25*	*(9.14)*
II. Amount recognised in Balance Sheet			
1 Present value of Defined Benefit Obligation	(207.94)	(94.22)	-
	(221.90)	*(102.23)*	-
2 Fair value of plan assets	195.92	-	-
	214.29	-	-
3 Funded status {Surplus/(Deficit)}	(12.02)	(94.22)	-
	(7.61)	*(102.23)*	-
4 Net asset/(liability) as at December 31, 2021	(12.02)	(94.22)	-
	(7.61)	*(102.23)*	-
III. Present value of Defined Benefit Obligation			
1 Present value of Defined Benefit Obligation at beginning of the year	221.90	102.23	-
	203.75	*113.35*	*9.16*
2 Current service cost	16.05	8.93	-
	15.16	*8.84*	-
3 Interest cost	13.01	6.16	-
	13.05	*7.39*	*0.60*
4 Loss on Curtailments	-	-	-
	-	*1.48*	-
5 (Gain) on settlements	-	(10.34)	-
	-	-	*(9.31)*
6 Actuarial (gains)/losses arising from changes in financial assumptions	(7.53)	(3.83)	-
	7.86	*4.58*	-
7 Actuarial (gains)/losses arising from experience adjustments	(2.01)	2.18	-
	(0.01)	*(6.04)*	*(0.43)*
8 Actuarial (gains)/losses arising from change in demographic assumptions	-	-	-
	(0.29)	-	-
9 Benefits Payments	(33.48)	(11.11)	-
	(17.62)	*(27.37)*	*(0.02)*
10 Present value of Defined Benefit Obligation at the end of the year	207.94	94.22	-
	221.90	*102.23*	-
IV. Fair value of Plan Assets			
1 Plan assets at the beginning of the year	214.29	-	-
	174.13	-	-
2 Interest income	12.53	-	-
	11.04	-	-
3 Contributions by Employer	-	-	-
	25.00	-	-
4 Actual benefits paid	(31.30)	-	-
	-	-	-
5 Actuarial gains/(losses) arising from changes in financial assumptions	0.40	-	-
	4.12	-	-
6 Plan assets at the end of the year	195.92	-	-
	214.29	-	-
V. Weighted Average duration of Defined Benefit Obligation	10 Years	10 Years	NA
	10 Years	*10 Years*	*NA*

(Figures in italics pertain to previous year.)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

VI. Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2021

₹ Crore

Particulars	Gratuity – Funded Increase	Gratuity – Funded Decrease	Gratuity – Unfunded Increase	Gratuity – Unfunded Decrease
Discount rate (1% movement)	(13.66)	15.59	(6.98)	8.07
Future salary growth (1% movement)	15.40	(13.75)	7.76	(6.86)

Sensitivity Analysis as at December 31, 2020

₹ Crore

Particulars	Gratuity – Funded Increase	Gratuity – Funded Decrease	Gratuity – Unfunded Increase	Gratuity – Unfunded Decrease
Discount rate (1% movement)	(14.58)	17.07	(7.85)	9.11
Future salary growth (1% movement)	16.39	(14.54)	8.07	(7.68)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

VII. The major categories of plan assets as a percentage of total plan (%)

Particulars	Gratuity As at December 31, 2021	Gratuity As at December 31, 2020
Debt instruments		
Government securities	70%	63%
Debentures and bonds	26%	32%
Equity shares	2%	3%
Cash and cash equivalents		
Fixed deposits	2%	2%
	100%	**100%**

VIII. Actuarial Assumptions:

Particulars	As at December 31, 2021	As at December 31, 2020
a) Financial Assumptions		
1 Discount rate	6.75%	6.25%
2 Salary increase rate	7.00%	7.00%
b) Demographic Assumptions		
1 Retirement age	60 years	60 years
2 Expected average remaining working lives of employees	10 years	10 years
3 Disability rate	5.00%	5.00%
4 Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate

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

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

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for the year ended December 31, 2021

e) Expected cash flows:

₹ Crore

Particulars	Funded Gratuity As at December 31, 2021	Funded Gratuity As at December 31, 2020	Unfunded Gratuity As at December 31, 2021	Unfunded Gratuity As at December 31, 2020
1. Expected employer contribution in the next year	-	-		
2. Expected benefit payments				
Year 1	29.81	27.60	11.58	7.49
Year 2	23.56	27.86	8.30	9.03
Year 3	23.93	24.56	8.15	9.50
Year 4	21.90	24.87	8.95	9.02
Year 5	17.65	21.52	8.41	10.40
Next 5 years	77.96	78.30	35.96	39.90
Total expected payments	**194.81**	**204.71**	**81.35**	**85.34**

f) Post employment defined benefit plan expenses are included under employee benefit expenses in the Consolidated Statement of Profit and Loss.

g) **Other Long-term employee benefits –** Amount recognised as an expense under employee benefit expenses in the Consolidated Statement of Profit and Loss in respect of compensated absences and long service award is ₹8.57 Crore *(Previous year – ₹17.14 Crore)*. Following are the actuarial assumptions used for valuation of Other Long-term employee benefits.

Actuarial Assumptions for valuation of Other Long-term employee benefits	As at December 31, 2021	As at December 31, 2020
a) Financial Assumptions		
1 Discount rate	6.75%	6.25%
2 Salary increase rate	7.00%	7.00%
b) Demographic Assumptions		
1 Retirement age	60 years	60 years
2 Expected average remaining working lives of employees	10 years	10 years
3 Disability rate	5.00%	5.00%
4 Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate

c) Provident Fund

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

The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate. The exempt provident fund set up by the Group is a defined benefit plan under Ind AS 19 Employee Benefits.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

Defined benefit plans as per actuarial valuation on December 31, 2021

₹ Crore

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
I. Components of expense recognised in the Consolidated Statement of Profit and Loss		
1 Current service cost	29.47	27.15
2 Current interest cost	2.31	3.76
3 Total expense	31.78	30.91
Components recognised in other comprehensive income (OCI)		
4 Actuarial (gains)/losses arising from changes in financial assumptions on Liability	(19.22)	(0.93)
5 Actuarial (gains)/losses arising from changes in financial assumptions on Plan Assets	23.54	5.39
6 Sub-total – Included in OCI	4.32	4.46
7 Total expense (3 + 6)	36.10	35.37
II. Amount recognised in Consolidated Balance Sheet		
1 Present value of Defined Benefit Obligation	(871.44)	(848.58)
2 Fair value of plan assets	794.50	782.27
3 Funded status {Surplus/(Deficit)}	(76.94)	(66.31)
4 Net asset/(liability) as at end of the year *	(76.94)	(66.31)
III. Present Value of Defined Benefit Obligation		
1 Present value of Defined Benefit Obligation at beginning of the year	848.58	820.64
2 Current service cost	29.47	27.15
3 Interest cost	68.10	70.88
4 Employee Contributions	57.58	73.92
5 Actuarial (gains)/losses arising from changes in financial assumptions	(2.41)	15.38
6 Actuarial (gains)/losses arising from experience adjustments	(16.81)	(16.31)
7 Benefits Payments	(122.98)	(154.74)
8 Increase/(Decrease) due to effect of any transfers	9.91	11.66
9 Present value of Defined Benefit Obligation at the end of the year	871.44	848.58
IV. Fair Value of Plan Assets		
1 Plan assets at the beginning of the year	782.27	765.39
2 Interest income	65.79	67.12
3 Contributions by Employer	25.46	24.31
4 Contributions by Employee	57.58	73.92
5 Actual benefits paid	(122.98)	(154.74)
6 Net transfer in/(out)	9.91	11.66
7 Actuarial gains/(losses) arising from changes in financial assumptions	(23.53)	(5.39)
8 Plan assets at the end of the year	794.50	782.27
V. Weighted Average duration of Defined Benefit Obligation	10 years	10 years

* The Provident Fund of ACC Limited (Trust) had invested ₹49 Crore in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability of this investment, in 2019 the Group provided ₹49 Crore being the change in re-measurement of the defined benefit plans towards probable incremental employee benefit liability that may arise on the Group on account of any likely shortfall of the Trust in meeting its obligations.

VI. The major categories of plan assets as a percentage of total plan

Particulars	As at December 31, 2021	As at December 31, 2020
Debt instruments		
Government securities	56%	57%
Debentures and bonds	12%	9%
Equity instruments	12%	12%
Cash and Cash equivalent	20%	22%
	100%	**100%**

VII. The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	As at December 31, 2021	As at December 31, 2020
Discounting rate	6.75%	6.25%
Guaranteed interest rate	8.50%	8.50%
Yield on assets based on the Purchase price and outstanding term of maturity	8.10%	8.10%

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for the year ended December 31, 2021

VIII. Sensitivity analysis for factors mentioned in Actuarial Assumptions

₹ Crore

Particulars	As at December 31, 2021 Increase	Decrease	As at December 31, 2020 Increase	Decrease
Discount rate (1% movement)	(4.26)	5.03	(4.45)	5.30
Interest rate guarantee (1% movement)	58.05	(30.17)	56.54	(29.37)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the Consolidated Balance Sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

IX. The Group expects to contribute ₹25.00 Crore *(Previous year – ₹25.00 Crore)* to trust managed Provident Fund in the next year.

NOTE 40: LEASES

Refer Note 1 (xxiii) for accounting policy on Leases.

Group as lessee

The Group's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, Plant and Equipment, office premises and other premises. There are no restrictions imposed by lease arrangements. There are no subleases.

(I) As at December 31, 2021, commitments for leases not yet commenced is ₹ Nil *(Previous year – ₹37.80 Crore)* towards a leasehold land with lease term of 30 years.

(II) The movement in lease liabilities during the year ended December 31, 2021 is as follows:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Balance at the January 01	102.48	131.61
Additions During the Year	51.37	8.20
Finance cost accrued during the period	9.37	9.80
Lease Modification	-	(7.46)
Payment of lease liabilities	(35.99)	(24.59)
Termination of Lease contracts	(1.65)	(15.08)
Balance at December 31	**125.58**	**102.48**
Current lease liabilities	24.21	18.50
Non-current lease liabilities	101.37	83.98

(III) The maturity analysis of lease liabilities are disclosed in Note 51 (ii) – Liquidity risk

(IV) Lease Expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Expense relating to short-term leases	65.19	48.98
Expense relating to leases of low- value assets	0.04	0.04
Expense in respect of variable lease payments	42.03	28.40
	107.26	77.42

NOTE 41: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
A) Estimated value of contracts on capital account remaining to be executed (Net of advance)	935.77	1,074.26
B) For commitments relating to lease arrangements, Refer Note – 40		

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

NOTE 42: CONTINGENT LIABILITIES NOT PROVIDED FOR

Refer Note 1 (viii) for accounting policy on Contingent liabilities.

Claims against the Company not acknowledged as debt:

Disputed claims/levies in respect of:

₹ Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2021	As at December 31, 2020
Competition Act, 2002	CCI matter – Refer Notes a & b below	1,878.34	1,749.85
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts including interest u/s 244A. Refer Notes e below	604.44	604.44
Service Tax – The Finance Act, 1994	Dispute regarding place of removal. Refer Note c below	92.34	90.98
The Mineral Concession Rules	Compensation for use of Government land. Refer Note d below	212.22	212.22
Sales Tax Act/Commercial Tax Act of various states	Packing Material – Differential rate of tax. Matters pending with various authorities	11.53	20.52
	Other Sales tax matters	6.77	9.65
Customs Duty – The Customs Act, 1962	Demand of duty on import of Steam Coal during 2001 to 2013 classifying it as Bituminous Coal.	30.97	30.97
Other Statutes/Other Claims	Claims by suppliers regarding supply of raw material and other claim.	35.89	35.89
	Demand of water drawal charges, Special Leave petition (SLP) pending with Hon'ble Supreme Court.	9.80	9.80
	Various other cases pertaining to claims related to Railways, labour laws, etc.	16.58	16.08
Mines and Minerals (Development and Regulation) Act	Demand of additional Royalty on Limestone based on ratio of cement produced vis-a-vis consumption of limestone.	7.93	7.93
	Total	2,906.81	2,788.33

In respect of above matters, future cash outflows are determinable only on receipt of judgements pending at various forums/ authorities.

The Group does not expect any reimbursements in respect of the above contingent liabilities.

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

a) In 2012, the Competition Commission of India ('CCI') issued an Order imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with Section 3(3)(a) and Sec 3 (3)(b) of the Competition Act and imposed a penalty of ₹1,147.59 Crore on the Company.

The Company had appealed against the penalty to the Competition Appellate Tribunal ('COMPAT') which granted a stay on November 07, 2016 with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2021 is ₹695.43 Crore *(Previous year – ₹566.94 Crore)*. COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgement dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgement of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for a successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the Consolidated Financial Statements.

c) The dispute is regarding whether the “place of removal” is the “factory gate / Depot” or “destination point of customer” for availment of Service Tax Credit on “Outward Transportation cost” of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not “Input Service” and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assessee relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon'ble Supreme Court, vide Order dated January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s. Ultratech Cement (Chhattisgarh State) has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon'ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/S Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon'ble Supreme Court remanded to High Court for deciding whether decision of Ultratech (Karnataka State) will be applicable or not.

Based on the advice of the external legal counsel, conflicting decisions of various courts and Central Board of Indirect Taxes and Customs (CBIC) Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

d) The Company has received demand notice dated May 10, 2013 from the Government of Tamil Nadu, and an Order dated August 22, 2019 passed by the Collector, Coimbatore seeking Annual Compensation for the period from 01.04.1997 to 31.03.2014 and 01.04.2014 to 31.03.2019, amounting to ₹73.46 Crore and ₹138.76 Crore respectively for use of the Government land for mining, which land the Company occupies on the basis of the Mining Leases. Despite the Company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letters calling upon the Company to pay compensation for use of Government land. The Company has challenged the demands by way of Revision under the Mineral Concession Rules and in Writ Petitions before the Hon’ble High Court of Tamil Nadu at Chennai, and in a Petition has obtained an order restraining the State from taking coercive steps.

Pending the same the High Court of Tamil Nadu in the group Writ Petitions of other cement manufacturers viz. Dalmia Cements, Madras Cements and others has passed a judgement dated November 20, 2019 allowing annual compensation to be collected by the state under rule 72 of MCR in respect of Government Poramboke Land. The Company has filed a Writ Appeal against the Judgement dated November 20, 2019 passed in Dalmia Cements, Madras Cements and others.

One of the above Petition challenging the demand for the period 01.04.2014 to 31.03.2019, is disposed of against the Company by the High Court vide order dated December 14, 2021 in line with judgement dated November 20,2019. The Company is in the process of filing a Writ Appeal before the Divisional bench of High Court against this judgement.

The Company is of the view and has been advised legally, that the merits are strongly in its favour.

e) The Company was entitled to excise incentives from Government at its Gagal plant located in the State of Himachal Pradesh, 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).

During the year 2018, the matter was decided in the favour of the Company for three years by the (CIT-A), against which the department has filed an appeal with the ITAT. Two more years orders were received later deciding on the same line.

In view of the series of repeated favourable orders by the Income tax department, after considering the legal merits of the Company’s claim, including *inter alia*, the ratio of the decisions of Hon’ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company’s appeal by the CIT (A), as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable. This was backed by an expert’s opinion on the matter.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the year 2018 in respect of excise incentives for two years. On appealing against 263 order, the ITAT had directed the Assessing Officer to re-examine and take final decision independently. Against ITAT order, appeal is pending before High Court. In 2021, AO has re-examined the matter (as per ITAT’s direction) and disallowed the claim. The appeal is filed before CIT(A).

Pending final closure of this matter, tax amount of ₹500.63 Crore *(Previous year – ₹500.63 Crore)* along with interest payable of ₹103.81 Crore *(Previous year – ₹103.81 Crore)* has been disclosed as contingent liabilities.

NOTE 43: MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE GROUP

a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ₹56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ₹64 Crore (tax of ₹56 Crore and interest of ₹8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgement was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

b) The Company was eligible for certain incentives in respect of its investment towards modernisation and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ₹7 Crore representing part of the One Time Lumpsum capital subsidy claim of ₹15 Crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/raised by the Government.

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed an Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received only ₹64 Crore out of total ₹235 Crore in part disbursement from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding.

The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP will be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme *inter alia*, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company’s claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹133 Crore *(Previous year – ₹133 Crore)* on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company is of the view and has been advised legally, that the merits are strongly in its favour.

d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co Ltd, in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the Section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹56.66 Crore (net of provision) *(Previous year – ₹56.66 Crore)*, the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹115.62 Crore *(Previous year – ₹115.62 Crore)*, which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) One of the Company's cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured at that plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹82.37 Crore *(Previous year – ₹82.37 Crore)* was raised. The Company filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand is unlikely to sustain under law.

f) The Company was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period. The Company received demand from District Mining Officer for ₹881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases up to March 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease up to March 2030 permitting the Company to commence mining operations after depositing ₹48 Crore, being assessed value of materials dispatched between April 2014 to September 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by the Company.

The Company's assessment coupled with legal advice is that the case shall not stand the test of judicial scrutiny basis the automatic renewal.

NOTE 44: RELATED PARTY DISCLOSURE

(A)	Names of the Related parties where control exists:	Nature of Relationship
1	Holcim Ltd, Switzerland (Erstwhile LafargeHolcim Ltd)	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	OneIndia BSC Private Limited	Joint venture Company
5	Aakaash Manufacturing Company Private Limited	Joint venture Company

(B) Others – With whom transactions have been taken place during the current and/or previous year:

(a)	Names of other Related parties	Nature of Relationship
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Services (South Asia) Limited	Fellow Subsidiary
4	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
5	Holcim Technology Ltd, Switzerland	Fellow Subsidiary
6	Holcim Trading Pte Ltd, Singapore (Erstwhile LafargeHolcim Trading Pte Ltd)	Fellow Subsidiary
7	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary (up to April 30, 2021)
8	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
9	Lafarge SA, France	Fellow Subsidiary
10	Holcim Trading Ltd, Switzerland (Erstwhile LH Trading Ltd)	Fellow Subsidiary
11	LH Global Hub Services Private Limited	Fellow Subsidiary
12	Holcim International Services Singapore Pte Ltd, Singapore (Erstwhile Lafarge International Services Singapore Pte Ltd)	Fellow Subsidiary
13	Lafargeholcim Investment Co Ltd, China	Fellow Subsidiary
14	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary (up to January 31, 2019)
15	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
16	Asian Fine Cement Private Limited	Subsidiary of Asian Concretes and Cements Private Limited
17	The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
18	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)
19	ACC Trust	Trust (Corporate Social Responsibility Trust)

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).

(b)	Name of the Related Parties:	Nature of Relationship
1	Mr Neeraj Akhoury	Managing Director & CEO (up to February 20, 2020). Additional Director (w.e.f. February 21, 2020) Non-Executive/Non-Independent Director (w.e.f. July 06, 2020)
2	Mr Sridhar Balakrishnan	Managing Director & CEO (w.e.f. February 21, 2020)
3	Ms Rajani Kesari	Chief Financial Officer (up to August 31, 2020)
4	Mr Yatin Malhotra	Chief Financial Officer (w.e.f. September 01, 2020)
5	Mr Rajiv Choubey	Company Secretary
6	Mr N .S. Sekhsaria	Chairman, Non-Executive/Non-Independent Director
7	Mr Jan Jenisch	Deputy Chairman, Non-Executive/Non-Independent Director
8	Mr Martin Kriegner	Non-Executive/Non-Independent Director
9	Mr Shailesh Haribhakti	Independent Director
10	Mr Sushil Kumar Roongta	Independent Director
11	Mr Vijay Kumar Sharma	Non-Independent Director (up to July 20, 2020)
12	Ms Falguni Nayar	Independent Director
13	Mr Christof Hassig	Non-Executive/Non-Independent Director (up to February 20, 2020)
14	Mr Damodarannair Sundaram	Independent Director
15	Mr Vinayak Chatterjee	Independent Director
16	Mr Sunil Mehta	Independent Director
17	Mr M. R. Kumar	Non-Independent Director (w.e.f. October 19, 2020)

(C) Transactions with Joint Venture Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Finished Goods**	**149.20**	**86.59**
	Aakaash Manufacturing Company Private Limited {Refer Note 48 (ii)}	149.20	86.59
2	**Sale of Finished Goods**	**2.16**	**8.00**
	Aakaash Manufacturing Company Private Limited	2.16	8.00
3	**Receiving of Services**	**-**	**17.44**
	OneIndia BSC Private Limited	-	17.44
4	**Sale of Raw Material**	**0.22**	**-**
	Aakaash Manufacturing Company Private Limited	0.22	-
5	**Dividend Received**	**1.13**	**-**
	Aakaash Manufacturing Company Private Limited	1.13	-
6	**Reimbursement of Expenses Paid/Payable**	**0.30**	**1.22**
	Aakaash Manufacturing Company Private Limited	0.21	1.22
	OneIndia BSC Private Limited	0.09	-

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

Outstanding balances with Joint venture Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	Outstanding balance included in Trade receivables	0.22	1.59
	Aakaash Manufacturing Company Private Limited	0.22	1.59
2	Outstanding balance included in Trade payables	36.66	21.17
	Aakaash Manufacturing Company Private Limited	36.66	20.64
	OneIndia BSC Private Limited	-	0.53

(D) Transactions with Associate Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	Purchase of Finished Goods	65.86	47.77
	Alcon Cement Company Private Limited {Refer Note – 48 (i)}	65.86	47.77
2	Sale of Finished Goods	0.03	-
	Alcon Cement Company Private Limited	0.03	-
3	Purchase of Raw Materials	8.94	4.87
	Asian Concretes and Cements Private Limited	8.94	4.87
4	Sale of Unfinished Goods	21.87	15.68
	Alcon Cement Company Private Limited {Refer Note – 48 (i)}	20.68	14.18
	Asian Fine Cement Private Limited	1.19	1.50
5	Dividend Received	0.43	0.29
	Alcon Cement Company Private Limited	0.43	0.29
6	Receiving of Services	63.33	62.10
	Asian Concretes and Cements Private Limited	63.33	62.10
7	Reimbursement of Expenses Received/Receivable	16.23	11.24
	Alcon Cement Company Private Limited	16.23	11.24
8	Reimbursement of Expenses Paid/Payable	0.34	2.38
	Alcon Cement Company Private Limited	0.34	0.14
	Asian Concretes and Cements Private Limited	-	2.24

Outstanding balances with Associate Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	Outstanding balance included in Trade receivables	8.74	6.39
	Alcon Cement Company Private Limited	8.74	6.39
2	Outstanding balance included in Trade payables	24.30	12.75
	Asian Concretes and Cements Private Limited	16.41	6.16
	Alcon Cement Company Private Limited	7.58	6.09
	Asian Fine Cement Private Limited	0.31	0.50

(E) Details of Transactions relating to Ultimate Holding and Holding Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	Dividend paid	143.36	143.36
	Ambuja Cements Limited	131.58	131.58
	Holderind Investments Limited	11.78	11.78
2	Purchase of Raw materials	18.23	15.83
	Ambuja Cements Limited	18.23	15.83
3	Purchase of Finished/Unfinished goods	867.14	498.37
	Ambuja Cements Limited	867.14	498.37
4	Purchase of Stores & Spares	4.00	1.75
	Ambuja Cements Limited	4.00	1.75
5	Purchase of Property, Plant and Equipments	17.42	1.28
	Ambuja Cements Limited	17.42	1.28
6	Sale of Finished /Unfinished Goods	469.24	220.25
	Ambuja Cements Limited	469.24	220.25

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
7	Sale of Raw Material	6.85	1.76
	Ambuja Cements Limited	6.85	1.76
8	Sale of Stores & Spares	1.35	0.36
	Ambuja Cements Limited	1.35	0.36
10	Sale of Property, Plant and Equipments	0.73	0.72
	Ambuja Cements Limited	0.73	0.72
11	Rendering of Services	69.17	53.44
	Ambuja Cements Limited	69.17	53.44
12	Receiving of Services	46.98	39.58
	Ambuja Cements Limited	46.98	39.58
13	Reimbursement of Expenses Received/Receivable	0.83	0.06
	Ambuja Cements Limited	0.83	0.06
14	Reimbursement of Expenses Paid/Payable	9.43	1.45
	Ambuja Cements Limited	9.43	1.45

Outstanding balances with Ultimate Holding and Holding Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	Outstanding balance included in Trade receivables	37.95	24.36
	Ambuja Cements Limited	37.95	24.36
2	Outstanding balance included in Other current assets - advances	0.04	0.04
	Ambuja Cements Limited	0.04	0.04
3	Outstanding balance included in Trade payables	100.32	68.11
	Ambuja Cements Limited	100.32	68.11

(F) Details of Transactions relating to Fellow Subsidiary Companies/Joint Venture of Holding Company

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	Purchase of Raw materials	167.59	210.25
	LafargeHolcim Energy Solutions SAS	-	210.04
	Holcim Trading Ltd	167.01	-
	Counto Microfine Products Private Limited	0.58	0.21
2	Sale of Finished/Unfinished Goods	-	0.03
	Counto Microfine Products Private Limited	-	0.03
3	Technology and Know-how fees	154.51	132.79
	Holcim Technology Ltd	154.51	132.79
4	Receiving of Services	77.58	64.54
	Holcim Services (South Asia) Limited	48.40	52.43
	LH Global Hub Services Private Limited	27.79	11.08
	Lafarge SA	0.37	0.66
	Holcim Technology Ltd	0.32	0.37
	Lafargeholcim Investment Ltd	0.70	-
5	Rendering of Services	4.06	11.05
	Holcim Services (South Asia) Limited	4.06	9.63
	Lafarge SA	-	0.79
	Holcim Technology Ltd	-	0.63
6	Expense recognised in respect of doubtful debts *	-	1.73
	Holcim Technology Ltd	-	1.45
	Holcim Trading Pte Ltd	-	0.13
	PT Holcim Indonesia Tbk	-	0.15
7	Reimbursement of Expenses Paid / Payable	1.03	1.77
	Lafargeholcim Energy Solutions SAS	0.45	0.27
	Holcim International Services Singapore Pte Ltd	0.38	1.47
	Holcim Group Services Ltd	0.20	0.03

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
8	**Reimbursement of Expenses Received / Receivable**	**1.17**	**1.48**
	Lafargeholcim Energy Solutions SAS	0.75	0.51
	Holcim Technology Ltd	-	0.78
	LH Global Hub Services Private Limited	0.40	0.19
	Holcim Trading Ltd	0.02	-

Outstanding balances with Fellow Subsidiary Companies/Joint Venture of Holding Company

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**2.67**	**5.23**
	Holcim Services (South Asia) Limited	2.65	4.78
	LafargeHolcim Bangladesh Ltd	0.02	0.02
	LH Global Hub Services Private Limited	-	0.19
	Lafarge SA	-	0.03
	Holcim Technology Ltd	-	0.21
2	**Outstanding balance included in Trade payables**	**170.65**	**38.88**
	Holcim Trading Ltd	130.21	-
	LafargeHolcim Energy Solutions SAS	1.21	1.93
	Holcim Technology Ltd	31.35	29.91
	Counto Microfine Products Private Limited	0.17	0.04
	Holcim Services (South Asia) Limited	5.51	5.33
	Holcim Group Services Ltd	0.02	0.03
	Lafarge SA	0.44	0.17
	LH Global Hub Services Private Limited	1.57	-
	Lafargeholcim Investment Ltd	0.17	-
	Holcim International Services Singapore Pte Ltd	-	1.47

(G) Details of Transactions with Key Management Personnel

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Remuneration****	**10.02**	**16.44**
	Mr Sridhar Balakrishnan	5.15	3.32
	Mr Yatin Malhotra	2.07	0.60
	Mr Rajiv Choubey	1.95	2.27
	Mr Neeraj Akhoury^	0.57	6.15
	Ms Rajani Kesari^^	0.28	4.10
	Breakup of Remuneration	**10.02**	**16.44**
	Short-term employee benefits	8.99	15.83
	Post employment benefits (including defined contribution and defined benefits)**	0.36	0.35
	Other long-term benefits**	-	-
	Employee share-based payments (Refer Note – 56)	0.67	0.26
2	**Other Payment to Key Management Personnel**		
	Commission Payable	**2.99**	**2.97**
	Mr N. S. Sekhsaria	0.50	0.50
	Mr Martin Kriegner#	-	-
	Mr Shailesh Haribhakti	0.36	0.36
	Mr Sushil Kumar Roongta	0.36	0.36
	Mr Jan Jenisch	0.20	0.20
	Ms Falguni Nayar	0.20	0.20
	Mr Sunil Mehta	0.36	0.36
	Mr Damodarannair Sundaram	0.45	0.45
	Mr Vinayak Chatterjee	0.36	0.36
	Mr M. R. Kumar	0.20	0.04
	Mr Vijay Kumar Sharma	-	0.11
	Mr Christof Hassig	-	0.03

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Sitting Fees	**0.52**	**0.78**
Mr N. S. Sekhsaria	0.05	0.07
Mr Martin Kriegner#	-	-
Mr Shailesh Haribhakti	0.08	0.11
Mr Sushil Kumar Roongta	0.08	0.11
Mr Vijay Kumar Sharma	-	0.03
Mr Jan Jenisch	0.02	0.02
Ms Falguni Nayar	0.04	0.06
Mr Christof Hassig	-	0.01
Mr Sunil Mehta	0.07	0.12
Mr Damodarannair Sundaram	0.08	0.12
Mr Vinayak Chatterjee	0.08	0.12
Mr M. R. Kumar	0.02	0.01

* Reimbursements and cost sharing expenses receivable from the Group companies written off in previous year.

** Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

^ Paid performance incentive for the year 2020 in April 2021 on pro rata basis for the period January 01, 2020 to February 20, 2020.

^^ Paid performance incentive for the year 2020 in April 2021 on pro rata basis for the period January 01, 2020 to August 31, 2020.

Waived their right to receive Directors' commission and sitting fees.

– The Company makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹25.46 Crore *(Previous year – ₹24.31 Crore).*

– The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme). During the year, the Company contributed ₹ Nil *(Previous year – ₹25.00 Crore).*

– During the year the Company has contributed ₹16.00 Crore *(Previous year – ₹27.24 Crore)* to ACC Trust towards Corporate social responsibility obligations.

– Transactions with related parties disclosed are inclusive of applicable taxes.

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

NOTE 45: SEGMENT REPORTING

Refer Note 1 (xxiv) for accounting policy on Segment Reporting

For management purposes, the Group is organised into business units based on the nature of the products, the differing risks and returns. The organisation structure and internal reporting system has two reportable segments, as follows:

(a) **Cement** – Cement is a product which is obtained from clinker resulting from mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, etc., in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.

(b) **Ready-Mix Concrete** – Ready-Mix Concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Information about primary business segments

₹ Crore

	Cement		Ready-Mix Concrete		Total	
	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
REVENUE						
External sales	14,572.74	12,531.41	1,241.66	955.42	15,814.40	13,486.83
Inter-segment sales	199.62	126.76	6.32	2.49	205.94	129.25
Other operating revenue	333.40	295.50	3.87	3.65	337.27	299.15
	15,105.76	**12,953.67**	**1,251.85**	**961.56**	**16,357.61**	**13,915.23**
Less: Elimination	199.62	126.76	6.32	2.49	205.94	129.25
Total revenue	**14,906.14**	**12,826.91**	**1,245.53**	**959.07**	**16,151.67**	**13,785.98**
OPERATING EBITDA	**2,900.64**	2,295.03	97.44	60.08	2,998.08	2,355.11
Segment result	**2,348.38**	**1,707.48**	**55.81**	**13.51**	**2,404.19**	**1,720.99**
Unallocated corporate Income net of unallocated expenditure					5.31	26.56
Operating Profit					**2,409.50**	**1,747.55**
Finance Costs					(54.62)	(57.08)
Interest and Dividend income					194.61	185.46
Share of profit from associates and Joint ventures					11.65	8.93
Exceptional item						
Impairment of assets (Refer Note – 2(3))					-	(176.01)
Restructuring cost (Refer Note – 60)					(54.76)	-
Tax expenses (Refer Note – 22)					(643.28)	(278.59)
Profit after tax					**1,863.10**	**1,430.26**
Capital expenditure (including capital work-in-progress and capital advances)	1,281.87	702.21	8.62	17.32	1,290.49	719.53
Depreciation and Amortisation	558.94	592.26	41.74	46.58	600.68	638.84
Other non-cash expenses						
Impairment of goodwill in Subsidiary Company	6.42	-	-	-	6.42	-
Impairment losses	-	176.01	-	-	-	176.01
Expected credit loss on Incentives under Government schemes	-	128.92	-	-	-	128.92
Others	10.53	18.39	(9.13)	32.05	1.40	50.44

₹ Crore

	Cement		Ready-Mix Concrete		Total	
	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
Segment assets	11,784.64	10,546.28	509.67	447.99	12,294.31	10,994.27
Unallocated Corporate assets					8,744.53	7,205.96
Total assets					**21,038.84**	**18,200.23**
Segment liabilities	4,724.61	3,915.48	501.91	416.54	5,226.52	4,332.02
Unallocated Corporate liabilities					1,500.14	1,165.84
Total liabilities					**6,726.66**	**5,497.86**

₹ Crore

Sales from external customer	For the year ended December 31, 2021	For the year ended December 31, 2020
Within India	15,812.30	13,482.07
Outside India *	2.10	4.76
Total	**15,814.40**	**13,486.83**

No single customer contributed 10% or more to the Group's revenue for the year ended December 31, 2021 and December 31, 2020.

* Sales outside India are in functional currency.

All the non-current assets are located within India.

Cash flows arising from the reportable segments:

₹ Crore

	Cement		Ready-Mix Concrete		Unallocated		Total	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Net Cash flow from operating activities	3,234.37	3,071.36	30.17	11.96	(429.05)	(864.13)	2,835.49	2,219.19
Net cash used in investing activities	(1,144.57)	(735.32)	(8.77)	(12.53)	165.33	212.70	(988.01)	(535.15)
Net cash used in financing activities	(7.44)	(1.80)	(28.55)	(22.79)	(294.53)	(302.77)	(330.52)	(327.36)

NOTE 46: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006*

₹ Crore

	As at December 31, 2021	As at December 31, 2020
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal amount due to micro and small enterprises (Not overdue)	17.11	6.30
Principal amount due to micro and small enterprises (overdue)	8.22	-
Interest due on overdue	0.20	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

NOTE 47:

(i) ACC Mineral Resources Limited (AMRL), through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgement of Supreme Court dated August 25, 2014 read with its order dated September 24, 2014. The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated March 23, 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to March 31, 2014. The Hon'ble Delhi High Court issued its judgement on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim was filed with Ministry of Coal for re-imbursement of expenses incurred up to the date of vesting order. The decision / valuation of our claim by Ministry of Coal is awaited. In respect of other three blocks, auctioning dates are yet to be announced.

(ii) The Group has investment of ₹2.50 Crore *(Previous year – ₹2.50 Crore)* in equity shares of OneIndia BSC Private Limited ('BSC'), joint venture of ACC Limited. BSC is engaged in the business of providing business shared services. The Master service agreement (MSA) for these services was entered for a period of 5 years ended December 31, 2020. The MSA agreement is not renewed. Accordingly, the financial statements of BSC for the year ended December 31, 2021 has not been prepared on going concern basis. BSC is currently not under liquidation. The management believes that amount of investment in BSC is recoverable and no impairment is necessary given the positive net worth of ₹13.34 Crore and net current assets value of ₹10.59 Crore as at December 31, 2021.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 48:

(i) The Group has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of ₹16.15 Crore *(Previous year – ₹11.08 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Cement so converted. This transaction has been identified in the nature of lease. (Refer Note – 40)

(ii) The Group has arrangement with a Joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale/purchase transactions for determination of taxable turnover and tax under GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready-Mix Concrete in relation to the Group's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale (excluding GST) of such Ready-Mix Concrete to customer of ₹126.19 Crore *(Previous year – ₹73.18 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready-Mix Concrete.

NOTE 49: CAPITALISATION OF EXPENDITURE

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment/Capital work-in-progress (CWIP) in the course of its construction. Consequently, expenses disclosed under the respective notes the Statement of Profit and Loss are net of amounts capitalised by the Group.

₹ Crore

	2021	2020
Balance at the beginning of the year	39.09	17.53
Expenditure during construction for projects:		
Employee benefits expense*	27.75	23.43
Rates and taxes **	-	0.80
Power and fuel**	1.22	0.56
Depreciation	0.07	-
Miscellaneous expenses **	1.41	2.02
Total	**69.54**	**44.34**
Less : Capitalised during the year	10.25	5.25
Balance at the end of the year	**59.29**	**39.09**

* Employee benefits expense represents cost of departments associated with the projects which are directly attributable to the construction and acquisition of Property, Plant and Equipment.

** Miscellaneous expense, power and fuel and rates and taxes 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 the management.

NOTE 50: FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

₹ Crore

Particulars	Note No.	Carrying value As at December 31, 2021	Carrying value As at December 31, 2020
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Investment in Unquoted equity shares	6	14.70	4.50
Cash and cash equivalents - Mutual funds	12	383.45	615.63
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Other deposits)	12	250.00	250.00
Other Cash and cash equivalents (Balances with banks)	12	6,733.13	4,983.72
Bank balances other than Cash and Cash Equivalents	13	157.12	156.34
Investments in Unquoted Bonds	6	3.70	3.70
Security deposits (Current and Non-Current)	8 & 15	210.30	177.53
Loans and Other financial assets (Current and Non-Current)	7, 8, 14 & 15	982.22	929.35
Trade receivables	11	489.02	451.41
3. Measured at fair value through Other Comprehensive Income		-	-
Total		**9,223.64**	**7,572.18**

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

₹ Crore

Particulars	Note No.	Carrying value As at December 31, 2021	Carrying value As at December 31, 2020
Financial liabilities			
1. Measured at FVTPL			
Foreign currency forward contract	23	-	0.28
2. Measured at amortised cost			
Trade payables		1,904.89	1,422.23
Security deposits and retention money	23	792.90	801.90
Lease Liabilities		125.58	102.48
Other financial liabilities	23	336.57	207.68
Total		**3,159.94**	**2,534.57**

The management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Consolidated Statement of Profit and Loss are as follows:

₹ Crore

Particulars	For the Year ended December 31, 2021	For the Year ended December 31, 2020
Financial assets measured at amortised cost		
Interest income	(181.90)	(185.44)
Impairment losses on trade receivables (including reversals of impairment losses)	(10.87)	37.34
Expected credit loss on Incentives under Government schemes	-	128.92
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(9.54)	(15.83)
Net gain on fair valuation of current financial assets	(0.27)	(0.16)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	3.20	1.74
Interest expenses on deposits from dealers	16.19	17.14
Interest expenses on lease liabilities	9.37	9.80
Derivatives - Foreign exchange forward contracts		
Net (gain)/loss on foreign currency forward contract	1.29	0.59
Net gain recognised in the Consolidated Statement of Profit and Loss	**(172.53)**	**(5.90)**

(C) Fair Value Hierarchy

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

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs that are unobservable for the asset or liability

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

₹ Crore

	Level 1	Level 2	Level 3	Total
As at December 31, 2021				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	14.70	14.70
Cash and cash equivalents – Mutual funds	383.45	-	-	383.45
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	-	-	-
As at December 31, 2020				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	4.50	4.50
Cash and cash equivalents – Mutual funds	615.63	-	-	615.63
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	0.28	-	0.28

During the reporting period ending December 31, 2021 and December 31, 2020, there was no transfer between level 1 and level 2 fair value measurement.

The following methods and assumptions were used to estimate the fair values:

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Level 3: Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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

Other financial assets and liabilities

The management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 51: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Evaluation and Management is an ongoing process within the Group. The Group has a system based risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments.

The Group is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Group's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimise potential adverse effects on the Group's financial performance.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. Check on counterparties basis credit rating 4. Number of days overdue 5. Eligibility under State Investment Promotion Schemes for incentives
Liquidity Risk	Trade payables, Deposits from dealers, Foreign exchange Forward contract, lease liabilities and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk – Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Forward foreign exchange contract
Market Risk – Commodity price risk	Movement in prices of commodities mainly Coal and Pet Coke	Sensitivity analysis	1. Fuel mix optimisation 2. Longer term contracts 3. Usage of alternative fuels and renewable energy
Market Risk – Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

Financial assets other than trade receivables

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with it's policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Group's Board of Directors.

Credit risk arising from short-term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Group result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Incentives receivable from the Government

The Company's manufacturing units in various states; mainly those in Maharashtra and Jharkhand are eligible for incentives under the respective State Industrial Policy. The Company has been accruing these incentives as refund claims in respect of VAT / GST paid, on the basis that all attaching conditions were fulfilled by the Company and there is a reasonable assurance that the incentive claims will be disbursed by the State Governments.

The Company has estimated the expected credit loss based on time period to recover these incentives and carries a provision of ₹128.92 crore as at December 31, 2021 *(Previous year - ₹ 128.92 crore)*.

The Company is confident about the ultimate realization of the dues from the State Governments and there is no risk of default.

Movement of Incentives under Government schemes

	₹ Crore
As at January 01, 2020	832.12
Incentive accrued	159.94
Incentive received	-
Expected credit loss	(128.92)
As at December 31, 2020	**863.14**
Incentive accrued	154.74
Incentive received	(112.28)
Others	(0.85)
As at December 31, 2021 (Refer Note - 8 & 15)	**904.75**

Notes to the Consolidated Financial Statements

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Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interactions with responsible persons for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing in creditworthy counterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Group's net sales. Therefore, the Group does not expect any material risk on account of non-performance by any of its counterparties.

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Neither past due nor impaired	236.83	221.21
Past due not impaired		
- 1-180 days	241.54	214.63
- more than 180 days	10.65	15.56
Past due impaired		
- 1-180 days	3.45	1.18
- more than 180 days	51.84	66.12
Total	**544.31**	**518.70**

Expected credit loss assessment

For trade receivables, as a practical expedient, the Group compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

The following table summarises the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	₹ Crore
As at January 01, 2020	41.13
Provided during the year	39.64
Amounts utilised	(11.18)
Reversals of Provision	(2.30)
As at December 31, 2020	**67.29**
Provided during the year	1.52
Amounts utilised	(1.13)
Reversals of Provision	(12.39)
As at December 31, 2021	**55.29**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Credit impaired

For expected credit loss as at each reporting date the Group assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Group assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

(ii) Liquidity risk

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

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

₹ Crore

	Carrying amount	Less than 1 year	1 -5 Years	More than 5 year	Total
As at December 31, 2021					
Other financial liabilities*	1,129.47	1,147.68	-	-	1,147.68
Lease Liabilities	125.58	32.58	87.24	53.73	173.55
Trade payables	1,904.89	1,904.89	-	-	1,904.89
	3,159.94	**3,085.15**	**87.24**	**53.73**	**3,226.12**

₹ Crore

	Carrying amount	Less than 1 year	1 -5 Years	More than 5 year	Total
As at December 31, 2020					
Other financial liabilities*	1,009.58	1,030.06	-	-	1,030.06
Lease Liabilities	102.48	26.10	76.18	29.15	131.43
Foreign currency forward contract	0.28	0.28	-	-	0.28
Trade payables	1,422.23	1,422.23	-	-	1,422.23
	2,534.57	**2,478.67**	**76.18**	**29.15**	**2,584.00**

*Other financial liabilities includes deposits received from customers amounting to ₹628.09 Crore *(Previous year - ₹706.63 Crore)*. These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above-mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

(iii) Market risk

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

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

Based on sensitivity analysis, the Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

₹ Crore

As at December 31, 2021	USD	EUR	CHF	GBP
Trade Payable	75.53	4.39	0.03	0.01
Foreign exchange derivative contracts	(61.43)	-	-	-
Net exposure to foreign currency risk (liabilities)	**14.10**	**4.39**	**0.03**	**0.01**

₹ Crore

As at December 31, 2020	USD	EUR	CHF	GBP
Trade Payable	5.19	6.33	0.11	0.01
Foreign exchange derivative contracts	(0.35)	-	-	-
Net exposure to foreign currency risk (liabilities)	**4.84**	**6.33**	**0.11**	**0.01**

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

₹ Crore

	As at December 31, 2021		As at December 31, 2020	
Particulars	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	0.71	(0.71)	0.21	(0.21)
EUR	0.22	(0.22)	0.32	(0.32)
CHF	-	-	0.01	(0.01)
TOTAL	**0.93**	**(0.93)**	**0.54**	**(0.54)**

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

Market Risk – Commodity price risk

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to a drop in operating margin. To manage this risk, the Group take following steps:

1. Optimizing the fuel mix, pursue longer term and fixed contracts where considered necessary.
2. Consistent efforts to reduce the cost of power and fuel by using both domestic and international coal and petcoke.
3. Use of alternative Fuel and Raw Materials (AFR) and enhancing the utilisation of renewable power including its onsite and offsite solar, wind, hydro power and Waste Heat Recovery System (WHRS).

Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirements are monitored by the central procurement team.

Market Risk – Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the interest rate risk arises primarily from security deposit from dealers. The Group has not used any interest rate derivatives.

The Group has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/lower the Profit for the year ended December 31, 2021 would decrease/increase by ₹3.14 Crore *(Previous year – ₹3.53 Crore).*

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

NOTE 52: CAPITAL MANAGEMENT

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

As stated in the below table, the Group is a Zero debt Group with no long-term borrowings. The Group is not subject to any externally imposed capital requirements.

₹ Crore

	Note No.	As at December 31, 2021	As at December 31, 2020
Total Debt		-	-
Less: Cash and cash equivalents	12	(7,366.59)	(5,849.36)
Net Debt		(7,366.59)	(5,849.36)
Equity attributable to owners of the parent	18 & 19	14,308.83	12,699.13
Debt to Equity (Net)		NA	NA

NOTE 53:

Additional information as required by Paragraph 2 of the General Instructions for the preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

	Net Assets, i.e., total assets minus total liabilities *		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
Name of the entity in the Group	As at December 31, 2021	As at December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021
Parent								
ACC Limited	99.99	14,307.30	99.19	1847.81	100.18	5.44	99.19	1853.25
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.14	20.70	0.10	1.94	-	-	0.10	1.94
ACC Mineral Resources Limited	(0.25)	(35.19)	0.12	2.20	-	-	0.12	2.20
Lucky Minmat Limited	(0.29)	(41.18)	(0.03)	(0.59)	-	-	(0.03)	(0.59)
Singhania Minerals Private Limited	(0.02)	(3.03)	-	0.09	-	-	-	0.09
Non-controlling interests in all subsidiaries	(0.02)	(3.35)	(0.01)	(0.11)	-	-	(0.01)	(0.11)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.06)	(8.13)	0.02	0.41	(1.47)	(0.08)	0.02	0.33
Asian Concretes and Cements Private Limited	0.43	61.09	0.50	9.25	-	-	0.50	9.25
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.03	3.93	0.01	0.12	-	-	0.01	0.12
Aakaash Manufacturing Company Private Limited	0.05	6.69	0.10	1.87	1.29	0.07	0.10	1.94
Total	**100.00**	**14,308.83**	**100.00**	**1,862.99**	**100.00**	**5.43**	**100.00**	**1,868.42**

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note: The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2021.

Additional information as required by Paragraph 2 of the General Instructions for the preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities*		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2020	As at December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020	December 31, 2020
Parent								
ACC Limited	100.02	12,702.74	99.17	1418.18	99.72	(14.54)	99.16	1,403.64
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.16	20.71	0.11	1.58	-	-	0.11	1.58
ACC Mineral Resources Limited	(0.29)	(37.40)	0.20	2.89	-	-	0.20	2.89
Lucky Minmat Limited	(0.27)	(34.17)	(0.03)	(0.49)	-	-	(0.03)	(0.49)
National Limestone Company Private Limited (Refer Note - 57)	-	-	(0.02)	(0.29)	-	-	(0.02)	(0.29)
Singhania Minerals Private Limited	(0.02)	(3.01)	(0.04)	(0.54)	-	-	(0.04)	(0.54)
Non-controlling interests in all subsidiaries	(0.03)	(3.24)	(0.01)	(0.08)	-	-	(0.01)	(0.08)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.06)	(8.03)	0.02	0.31	0.14	(0.02)	0.02	0.29
Asian Concretes and Cements Private Limited	0.41	51.84	0.60	8.60	-	-	0.61	8.60
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.03	3.81	(0.05)	(0.65)	-	-	(0.05)	(0.65)
Aakaash Manufacturing Company Private Limited	0.05	5.88	0.05	0.67	0.14	(0.02)	0.05	0.65
Total	**100.00**	**12,699.13**	**100.00**	**1,430.18**	**100.00**	**(14.58)**	**100.00**	**1,415.60**

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2020.

Notes to the Consolidated Financial Statements
for the year ended December 31, 2021

NOTE 54: DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2020 ₹14 per share *(Previous year – ₹ Nil)*	262.90	-
Interim dividend for the year ended December 31, 2021 ₹ Nil *(Previous year – ₹14 per share)**	-	262.90
	262.90	**262.90**
Proposed dividends on equity shares:		
Final dividend for the year ended December 31, 2021: ₹58 per share	1,089.17	-
Final Dividend for the year ended December 31, 2020: ₹14 per share	-	262.90
	1,089.17	**262.90**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at December 31.

* Subsequent to the year end December 31, 2019, the Board of Directors decided to revoke the recommendation for payment of final dividend for the Financial Year ended December 31, 2019 and declared payment of interim dividend for the financial year ended December 31, 2019 at ₹14 per share.

NOTE 55: GOODWILL ON CONSOLIDATION

Movement in Goodwill on consolidation

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Carrying amount as at beginning of the year	10.19	15.57
Impairment of goodwill*	(6.42)	-
Derecognition in the view of divestment (Refer Note - 57)	-	(5.38)
Net carrying value as at end of the year	**3.77**	**10.19**

Goodwill of ₹3.77 Crore *(Previous year – ₹10.19 Crore)* relates to acquisition of a business of subsidiary companies. For the purpose of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGUs):

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Lucky Minmat Limited (LML)*	-	6.42
Singhania Minerals Private Limited (SMPL)	3.28	3.28
Bulk Cement Corporation (India) Limited (BCCI)	0.49	0.49
Total	**3.77**	**10.19**

*The Group had invested ₹ 38.10 Crore *(Previous year - ₹ 38.10 Crore)* in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary company. In view of no mining activity being carried out in view of on-going litigation on transfer of lease rights and amendments brought in to the Mines and Minerals (Development and Regulations) Amendment Act, 2021, the Group has reassessed the value of investments and accordingly, during the year ended December 31, 2021, goodwill on consolidation of ₹6.42 Crore has been impaired in view of impairment of investment.

Of the above CGUs, SMPL is engaged in the business of extracting of limestone. BCCI is in the business of handling of cement.

NOTE 56: EMPLOYEE SHARE-BASED PAYMENTS

Description of plan – Holcim Performance Share Plan

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

6,600 *(Previous year – 7,800)* performance shares at a fair value of ₹4,426 per share *(Previous year – ₹3,352 per share)* were granted in 2021. 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, ₹4.18 Crore *(Previous year – ₹2.66 Crore)* is charged to the Consolidated 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.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

Information related to awards granted through the Performance Share Plan is presented below:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
As at January 01	16,200	9,000
Granted	6,600	7,800
Forfeited	(5,400)	(600)
As at December 31	17,400	16,200

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

NOTE 57:

During the previous year the Group divested 2,00,000 Equity Shares representing 100% stake in National Limestone Company Private Limited (NLCPL) under a Share Purchase Agreement dated November 18, 2020. The Group has received the entire consideration amount of ₹20 Crore. The Group has, accounted for ₹12.91 Crore as profit arising from divestment.

NOTE 58:

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Group towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE 59:

The Competition Commission of India ("CCI") initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behaviour and conducted search and seizure operations in December 2020 against few companies. The Director General of CCI in January 2021 sought information from the Company and the information sought is provided. The Company is of the firm view that it has acted and continues to act in compliance with competition laws. The Company believes that this does not have any impact on the financial statements.

NOTE 60:

During the year ended December 31, 2021, there is a charge of ₹54.76 Crore on account of restructuring cost to employees and contract staff.

NOTE 61: RISK DUE TO OUTBREAK OF COVID-19 PANDEMIC

The Group has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Group has, at the date of approval of the financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of the same.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2021

NOTE 62:

The Group has reclassified security deposits as below to give effect to incremental changes in Division II to Schedule III to the Companies Act, 2013.

₹ Crore

Description	Note No.	Previously reported amount	Revised amount	Change
Balance Sheet				
Non-current financial assets				
Loans	7	135.91	11.51	124.40
Other financial assets	8	645.65	770.05	(124.40)
current financial assets				
Loans	14	58.99	5.86	53.13
Other financial assets	15	266.33	319.46	(53.13)

For and on behalf of the Board of Directors of ACC Limited,

N. S. SEKHSARIA
Chairman
DIN: 00276351

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA
Chief Financial Officer

RAJIV CHOUBEY
Company Secretary
ACS: 13063

MARTIN KRIEGNER
Director
DIN: 00077715

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

NEERAJ AKHOURY
Director
DIN: 07419090

Mumbai, February 09, 2022

Consolidated Net profit

For the year ended December 31, 2021

₹ Crore

	Particulars	2021		2020
ACC's Net Profit			1,820.27	1,414.94
Add:	Pro-rata share of profits/(losses) of subsidiaries -			
	Bulk Cement Corporation (India) Limited (BCCI)	1.94		1.58
	ACC Mineral Resources Limited	2.20		2.90
	Lucky Minmat Limited	(0.59)		(0.50)
	National Limestone Co Pvt Limited *	-		1.64
	Singhania Mineral Private Limited	0.02		(0.61)
			3.57	**5.01**
Add:	Pro-rata share of profit of Joint ventures and Associates		11.65	8.93
Add:	Reversal of Impairment of investment in Subsidiary Company		38.10	-
Less:	Impairment of Goodwill in Subsidiary Company		6.42	-
Less:	Minority Interest of Subsidiary (BCCI)		0.11	0.08
Add:	Gain on sale of investment in Subsidiary Company		-	6.91
Less:	Dividend received from Associates and Joint ventures		1.56	0.29
Less:	Deferred tax on undistributed profit of Associates and Joint ventures		2.50	5.24
Add:	Other adjustments (Net)		(0.01)	-
Profit attributable to Owners of the Company			**1,862.99**	**1,430.18**

Consolidated Equity

As at December 31,2021

₹ Crore

	Particulars	2021		2020
ACC's Equity			14,228.43	12,661.44
Add:	Adjustment for impairment of investments (AMRL & Lucky)		96.06	57.96
Add:	Net worth as per Balance Sheet of Subsidiary Companies –			
	Bulk Cement Corporation (India) Limited (BCCI)	61.26		59.32
	ACC Mineral Resources Limited	86.76		84.56
	Lucky Minmat Limited	(3.08)		(2.49)
	Singhania Mineral Private Limited	(0.94)		(0.96)
		144.00		**140.43**
Less:	Pro rata share of Minority shareholders interest in the Net Worth of Subsidiary Companies	3.35		3.24
	ACC's share in pre-acquisition Net Worth of Subsidiary Companies	160.01		160.01
			(19.36)	**(22.82)**
Less:	Amortisation of Goodwill in Subsidiary Companies		39.54	33.12
Less:	Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add:	Increase in Net Worth of Alcon Cement Company Pvt. Ltd.		(8.13)	(8.03)
Add:	Increase in Net Worth of Asian Concretes & Cements Pvt Ltd		61.09	51.84
Add:	Increase in Net Worth of Aakaash Manufacturing Co Pvt Ltd		6.69	5.88
Add:	Increase in Net Worth of OneIndia BSC Pvt. Ltd.		3.93	3.81
Less:	Deferred tax on undistributed profit from JVs and Associates		20.71	18.21
Less:	Other adjustments (Net)		0.16	0.15
Consolidated Equity			**14,308.83**	**12,699.13**

* Divested in previous year.

Statement Containing Extract of Subsidiaries Financial Statements

₹ Crore

Particulars	Balance sheet as at December 31, 2021			
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	ACC Mineral Resources Limited	Singhania Minerals Private Limited
ASSETS				
Non-current assets				
Fixed assets	25.75	-	1.30	0.41
Financial Assets				
Loans	-	-	3.94	-
Other Financial Assets	0.21	-	2.43	-
Non current tax assets (Net)	1.29	0.22	0.53	-
Other non-current assets	0.20	-	0.12	-
Total Non-current assets	**27.45**	**0.22**	**8.32**	**0.41**
Current assets				
Inventories	0.60	-	-	-
Financial Assets				
Trade receivables	4.07	-	-	0.04
Cash and cash equivalents	38.78	0.45	80.20	0.11
Loans	-	-	-	-
Other Financial Assets	0.01	-	0.24	
Other current assets	0.43	-	1.94	1.28
Total Current assets	**43.89**	**0.45**	**82.38**	**1.43**
TOTAL ASSETS	**71.34**	**0.67**	**90.70**	**1.84**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	33.64	3.25	121.95	0.52
Other Equity	27.62	(6.33)	(35.19)	(1.46)
Total Equity	**61.26**	**(3.08)**	**86.76**	**(0.94)**
Liabilities				
Non-current liabilities				
Provisions	-	-	-	1.25
Deferred tax liabilities (Net)	0.25	-	-	-
Total Non-current liabilities	**0.25**	**-**	**-**	**1.25**
Current liabilities				
Financial Liabilities				
Borrowing	-	0.18	-	0.86
Trade payables	5.41	-	3.94	0.60
Other financial liabilities	2.20	-	-	0.07
Other current liabilities	2.08	3.57	-	-
Provisions	-	-	-	-
Current tax liabilities (Net)	0.14	-	-	-
Total Current liabilities	**9.83**	**3.75**	**3.94**	**1.53**
TOTAL EQUITY AND LIABILITIES	**71.34**	**0.67**	**90.70**	**1.84**

Note: During the previous year, the Company divested 100% stake in its wholly owned subsidiary company National Limestone Company Private Limited.

Statement Containing Extract of Subsidiaries Financial Statements

₹ Crore

	Balance sheet as at December 31, 2020			
	Bulk Cement Corporation (India) Limited	**Lucky Minmat Limited**	**ACC Mineral Resources Limited**	**Singhania Minerals Private Limited**
ASSETS				
Non-current assets				
Fixed assets	26.95	-	1.31	0.18
Financial Assets				
Loans	0.21	-	6.35	-
Other Financial Assets	-	-	-	-
Non current tax assets (Net)	1.21	0.21	0.60	-
Other non-current assets	0.33	-	0.12	-
Total Non-current assets	**28.70**	**0.21**	**8.38**	**0.18**
Current assets				
Inventories	0.80	-	-	-
Financial Assets				
Trade receivables	2.24	-	-	-
Cash and cash equivalents	36.16	0.44	77.93	0.10
Loans	-	-	-	-
Other Financial Assets	0.02	-	0.15	
Other current assets	0.38	-	1.94	1.12
Total Current assets	**39.60**	**0.44**	**80.02**	**1.22**
TOTAL ASSETS	**68.30**	**0.65**	**88.40**	**1.40**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	33.64	3.25	121.95	0.52
Other Equity	25.68	(5.74)	(37.39)	(1.48)
Total Equity	**59.32**	**(2.49)**	**84.56**	**(0.96)**
Liabilities				
Non-current liabilities				
Provisions	-	-	-	1.26
Deferred tax liabilities (Net)	0.38	-	-	-
Total Non-current liabilities	**0.38**	**-**	**-**	**1.26**
Current liabilities				
Financial Liabilities				
Borrowing	-	0.12	-	0.80
Trade payables	4.21	0.01	3.84	0.23
Other financial liabilities	2.45	-	-	0.07
Other current liabilities	1.84	3.01	-	-
Provisions	-	-	-	-
Current tax liabilities (Net)	0.10	-	-	-
Total Current liabilities	**8.60**	**3.14**	**3.84**	**1.10**
TOTAL EQUITY AND LIABILITIES	**68.30**	**0.65**	**88.40**	**1.40**

₹ Crore

	Statement of Profit and Loss for the year ended December 31, 2021				
Particulars	**Bulk Cement Corporation (India) Limited**	**Lucky Minmat Limited**	**National Limestone Company Private Limited ***	**ACC Mineral Resources Limited**	**Singhania Minerals Private Limited**
INCOME					
Revenue from operations	22.04	-	-	-	1.50
Other income	1.18	0.01	-	2.39	-
Total Income	**23.22**	**0.01**	**-**	**2.39**	**1.50**
EXPENSES					
Cost of materials consumed	-	-	-	-	0.79
Purchases of stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
Employee benefits expense	2.14	-	-	-	-
Power and Fuel	3.97	-	-	-	-
Freight and Forwarding expense	-	-	-	-	-
Finance costs		0.01	-	-	0.05
Depreciation and amortization expense	3.38	-	-	0.01	0.01
Other expenses	11.13	0.59	-	0.19	0.62
Total expenses	**20.62**	**0.60**	**-**	**0.20**	**1.47**
Profit before tax	**2.60**	**(0.59)**	**-**	**2.19**	**0.03**
Tax expenses	0.66			(0.01)	0.01
Profit after Tax	**1.94**	**(0.59)**	**-**	**2.20**	**0.02**

	Statement of Profit and Loss for the year ended December 31, 2020				
	Bulk Cement Corporation (India) Limited	**Lucky Minmat Limited**	**National Limestone Company Private Limited ***	**ACC Mineral Resources Limited**	**Singhania Minerals Private Limited**
INCOME					
Revenue from operations	18.48	-	-	-	-
Other income	1.10	0.01	2.06	3.16	-
Total Income	**19.58**	**0.01**	**2.06**	**3.16**	**-**
EXPENSES					
Cost of materials consumed	-	-	-	-	-
Purchases of stock-in-trade	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-
Employee benefits expense	2.14	-	-	-	-
Power and Fuel	2.27	-	-	-	-
Freight and Forwarding expense	1.32	-	-	-	-
Finance costs		0.01	0.12	-	0.11
Depreciation and amortization expense	3.53	-	-	0.01	-
Other expenses	8.24	0.50	0.30	0.24	0.50
Total expenses	**17.50**	**0.51**	**0.42**	**0.25**	**0.61**
Profit before tax	2.08	(0.50)	1.64	2.91	(0.61)
Tax expenses	0.50			0.01	-
Profit after Tax	**1.58**	**(0.50)**	**1.64**	**2.90**	**(0.61)**

* Divested in previous year

Performance Table

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
CEMENT PRODUCTION							
Clinker produced	tonnes	1,62,63,903	1,45,54,450.0	1,75,97,006.0	1,73,51,201.0		
Cement produced	tonnes	2,69,23,779	2,37,67,168.1	2,78,72,289.5	2,83,54,688.8		
Cementitious materials produced	tonnes	2,74,69,284	2,41,11,394.6	2,84,23,924.5	2,82,36,427.5		
Number of sites		14	14.0	14.0	15		
OPC production	tonnes	25,42,461	24,32,870.5	30,80,219.5	34,63,482.2		
Blended cements	tonnes	2,43,81,320	2,13,34,298	2,47,92,071	2,48,92,497		
Share of sustainable products	%	90.56	89.76	88.95	87.79		
Revenue from sale of sustainable products	%	92.29	91.92	91.35	90.25		
RAW MATERIALS - CEMENT							
Total raw material	Million tonnes	35.26	31.66	38.92	37.10		
Limestone	Million tonnes	23.4	21.4	26.8	24.9		301-1
Total Gypsum	Million tonnes	1.26	0.5	1.5	1.2		
Natural Gypsum	Million tonnes	0.3	0.047				
Synthetic Gypsum	Million tonnes	0.9	0.4				
Alternative Raw material	Million tonnes	0.23	0.3	0.5	0.4		
Slag	Million tonnes	2.96	2.8	2.8	3.2		
Fly-ash	Million tonnes	6.7	5.3	6.4	5.7		
Limestone used as an additive	Million tonnes	0.33	0.4	NR	NR		
Additives	Million tonnes	0.05	0.0	0.1	0.1		
Others (Bauxite, Iron ore etc.)	Million tonnes	0.39	1.0	0.8	1.7		
Lubricating oil (tonnes)	tonnes	413.2	261.0	268.5	471.0		
Grease (tonnes)	tonnes	125	84.8	105.7	137.0		
Weight of bags consumed	tonnes	37892.6	33,794.8	38,969.2	36,374.7		
Total Recycled Raw material used	million tonnes	10.8	8.9	9.7	9.3		
% recycled materials used	%	30.63	27.6	24.8	25.0		301-2
Clinker factor (Average of % of clinker in cement)	%	58.38	59.8	61.2	61.7		
RAW MATERIALS- RMX							
Cement	tonnes	7,68,840	6,68,404	9,89,286.4	7,53,667.0		301-1
Slag	tonnes	62,573	35,053	76,401.0	75,725.7		
Flyash	tonnes	2,06,258	1,28,221	1,85,392.0	1,76,693.3		
Sand	tonnes	4,45,867	3,62,741	5,64,212.50	20,82,169.00		
Additives	tonnes	8,655	6,541.0	10,366.6	9,547.0		
Aggregates	tonnes	29,95,689	24,34,512	36,89,929.4	29,42,832.0		
Lubricating oil (tonnes)	tonnes	14.65	16.00	11.1	19.5		
Grease (tonnes)	tonnes	10.39		8.5	8.2		
Crushed rock fines	tonnes	17,83,469	14,50,963	22,56,850.0	15,00,000.00		
GHG EMISSIONS - CEMENT							
Total CO_2 emission - Gross (including CPP)	tonnes	1,56,07,434	1,38,43,996	1,69,61,883	1,67,83,705	1,65,19,243	
Total CO_2 Emissions - Gross (Excl CPP)	tonnes	1,36,25,436	1,20,78,719	1,47,32,304	1,44,42,417		
Total CO_2 Emissions - Net (Excl CPP)	tonnes	1,34,10,787	1,18,77,634	1,45,42,692	1,43,00,900		
Total CO_2 Emissions from CPP	Tonnes	19,81,998	17,72,925	22,29,574	23,35,729		
Specific CO_2 Emissions - gross	kg/tonne of cementitious material	496	501	512	511		305-4
Specific CO_2 Emissions - net	kg/tonne of cementitious material	488	493	512	506		
Reduction in net CO_2 per tonne of cementitious product (scope-1) relative to year 1990	%	40	39	37	38		
Scope 1 emissions cement (Including CPP)	tonnes	1,53,92,785	1,36,50,559	1,67,72,265.6	1,66,36,629.8		305-1
Scope 2 emissions cement	tonnes	6,66,157	6,01,750	5,56,073.3	5,34,401.0	5,10,217	305-2
Scope 3 emissions cement	tonnes	23,99,656*	16,39,454*	5,91,171.4	6,66,259.0		305-3
Number of plants included in scope-3 emissions	number	All	All	All	All		

*This year and during 2020 we are reporting categories -1,3,4,6,7,9 whereas 2018 & 2019 - it was only for 4,6 and 9

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
GHG EMISSIONS - CONCRETE							
Scope 1 emissions concrete	tCO_2	4,633	4,089	4,706.9	3,297.0		305-1
Scope 2 emissions concrete	tCO_2	8,782	6,160	4,831.3	4,932.0		305-2
Scope 3 emissions concrete*	tCO_2	49,421	41,017	58,915.0	43,878.0		305-3
Number of plants included in scope-3 emissions	number	All	All	All	All		

*only include category 4 and 9. Catgeory 6 is already included in Cement.

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
OVERALL CO_2 REDUCTION ACHIEVED (SCOPE-1 &2)							
On account of thermal savings(1)	tCO_2	0	-32,508.00	0.0	4,067.0		305-5
On account of electrical savings(2)	tCO_2	-34,651	0	-26,821.9	88,464.0		
On account of clinker factor improvement(3)	tCO_2	-3,10,593	-2,63,609	1,24,321.6	3,97,293.0		

Note: (1) CM Emission Factor (CO2 Baseline Database for the Indian Power Sector – V 16– March 2021 – by Central Electricity Authority) was used for calculating the CO_2 emissions on account of electrical savings.

(2) CO_2 emission reductions on account of clinker factor improvement is calculated by multiplying amount of clinker saved with specific emission of clinker.

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
EMISSIONS*							
Number of kilns reporting		11	12	12.0	12.0		
Coverage rate of CEMS (for dust, Nox, Sox)	%	100	100	100	100		
NOx	g/t clinker	784.2	1,036.2	1,293.4	1,718.1		305-7
	g/t cement	473.7	634.9	816.6	1,051.3		
	t	12,754.7	15,082.1	22,759.4	29,810.3	13,000	
SOx	g/t clinker	185.8	134.5	101.7	127.7		
	g/t cement	112.2	82.4	64.2	78.2		
	t	3,021.0	1,957.7	1,789.8	2,216.1	3,500	
Dust	g/t clinker	23.5	20.1	26.8	28.5		
	g/t cement	14.2	12.3	16.9	17.4		
	t	382.4	293.0	472.0	494.3	400	
Average Mercury (Hg) emissions	ug/nm^3	BDL	BDL	NR	NR	BDL	

* The emissions reported are based on Kiln stacks only; Mercury emission reporting from 2021 onward, Below Detection Level (BDL) at all plant

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
ENERGY CONSUMPTION - CEMENT							
Kiln Fuel Consumption							302-1
Coal	TJ	27,438	42,013*	52,526*	51,417*		
	MWh	76,21,368	1,16,69,951	1,45,90,092	1,42,82,100		
Petcoke*	TJ	19,344					
	MWh	53,73,194					
Diesel oil	TJ	37	36.0	44.7	62.0		
	MWh	10,164	10,000	12,408	17,222		
Alternative fossil and mixed fuels	TJ	2,641	2,458.0	2,329.9	1,744.0		
	MWh	7,33,596	6,82,759	6,47,179	4,84,431		
Biomass fuels	TJ	1,028	650.0	748.0	648.0		
	MWh	2,85,501	1,80,551	2,07,775	1,79,995		

*- Till last year coal and petcoke were provided together

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
NON-KILN FUEL CONSUMPTION - CPP							
Coal	TJ	20,467	18,250.0	23,472.7	25,510.0		
	MWh	56,85,008	50,69,303	65,20,022	70,85,913		
Petcoke	TJ	0					
	MWh	0					
Diesel oil	TJ	10	10.0	11.8	7.0		
	MWh	2,733	2,778	3,284	1,944		
Alternative Fuels	TJ	206	241.0	125.5	100.0		
	MWh	57,221	66,943	34,855	27,777		
Alternative biomass fuels	TJ	254	214.0	224.4	167.0		
	MWh	70,467	59,443	62,333	46,388		

Performance Table

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
CO_2 FROM ALTERNATE FOSSIL FUEL							
CO_2 from Biomass fuels (kiln & non-kiln fuels)	tonnes	1,42,274	98,190	1,05,291	88,302		
CO_2 from alternate fossil fuel	tonnes	2,14,649	2,01,085	1,89,613	1,41,516		
ALTERNATE FUELS							
Co-processed waste (AF used)	Million tonnes	0.3	0.24	0.23	0.17		
Thermal substitution Rate (% thermal energy from alternative fuels)	%	7.3	6.9	5.5	4.5		301-2
NON-KILN FUEL CONSUMPTION -NON							
Diesel Oil consumed for Onsite vechile movement (TJ)	TJ	531	450	557.0	NR		
Fuels for Drying of Raw Materials and Mineral Components (TJ)	TJ	1,429	1,206	1,149.0	NR		
Electricity Purchased/Imported	MWh	6,96,305	6,54,964	6,92,162.0	NR	5,60,678	
Energy consumption outside the organisation**	TJ	15,746	5,975	7,978.0	8,991.0		302-2
Specifc Power consumption upto and including clinker prod	kWh/ton clinker	68.38	68.84	68.6	69.0		302-3
Specifc Power consumption upto and including cement grinding	kWh/ton cementitious material	75.1	77.4	76.4	77.8		
Specifc Power consumption upto and including cement grinding, colony auxillaries	kWh/ton cementitious material	77.2	79.6	78.4	79.8		

* As per WBCSD protocol, alternative fossil fuel comprises of waste oil, waste tyres, plastics, solvents,impregnated saw dust etc

** Considered diesel as fuel consumed in transportation

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
ENERGY CONSUMPTION - RMX							
Diesel Oil	L	17,11,438.2	15,10,350.0	17,27,179.1	11,85,211.6		302-1
Electricity purchased	MWh	9,650	6,695	5,251.0	5,247.0		
Energy consumption outside the organisation*	TJ	667	553.5	795.1	592.0		

* Considered diesel as fuel consumed in transportation

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
TOTAL DIRECT & INDIRECT ENERGY							
Total Power Generation	TJ	5,756	5,000	6,135	5,876		302-1
Total Renewable Energy Generation	Million Units	36	35	36	35		
% of RE in total power consumption	%	4.6	4.3	3.5	3.4		
Renewable Energy Certificates Purchased	MWh	72,546	31,381	1,14,565	97,415		
Power and fuel expenses	₹ Crores	3,361	2,572	3,134	2,998		
Thermal energy efficiency	MJ/tonne clinker	3,108	3,106	3,129	3,099		
Electrical energy efficiency	Kwh/tonne cement	78.55	80.65	79.60	81.13		
Power consumption from WHRS	TJ	156	150	175	169		
	MWh	43,248	41,635	48,562	47,039		
WASTE TYPE							
Waste Generated within operations							
Hazardous waste							306-1
Waste oil	litres	79,372	55,818.1	81,949.0	1,33,246.9		
Grease	Tonnes	40.6	22.0	42.6	52.0		
Used batteries	Tonnes	42.3	30.7				
Biomedical waste	Tonnes	0.9	0.7	48.7	59.0		
Ewaste	Tonnes	51.4	4.0				
Any other (Waste cloth etc)	tonnes	0.4					
Non-hazardous waste							
Steel scrap	tonnes	13,550.8	8,884.4	9,235.9	11,810.4		
Others	tonnes	7,349.5	5,002.0	5,050.8	7,329.7		
Filter bags	no	44,059	20,864	26,729	81,510		

Note: 1. Steel Scrap includes castings, waste steel, MS drums, wrapper scrap, iron scrap, grinding balls, HC lining plate, table liner, HC grinding media, etc.

2. Others includes waste cement bags, conveyor belts, wood, copper, plastic bags, electrical cables, empty glass bottles, aluminum, tyres, paper, PVC drums, HDPE wrapper, etc.

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
INTERNAL WASTE MANAGEMENT *							
Non hazardous waste disposed to external landfill or incinerated without energy recovery	tonnes	0.0	NR	NR	NR		
Hazardous waste/BMW disposed to external landfill or incinerated without energy recovery	tonnes	2.0	NR	NR	NR		
Non hazardous waste disposed on site	tonnes	0.0	NR	NR	NR		
Hazardous waste disposed on site	tonnes	0.0	NR	NR	NR		
Non hazardous waste recycled, downcycled or recovered	tonnes	19,633.8	NR	NR	NR		
Hazardous waste recycled, downcycled or recovered	tonnes	11,329.6	NR	NR	NR		
Plastic waste Co-processed	tonnes	59,295.4	NR	NR	NR		
Weight of bags consumed	tonnes	37,892.6	33,794.8	38,969.2	36,374.7		
Plastic negaive index = Plastic waste co-proessd/ Plastic packing bags	tonnes	1.56	NR	NR	NR		
Total waste derived resource consumed (Fly ash, slag, AF, AR, Syn/phosphogypsum)		11.09	NR	NR	NR		

Internal Waste management reporting started from 2021

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
TOTAL WATER WITHDRAWAL IN CEMENT OPERATIONS							
Surface water	million m^3	1.834	1.71	1.98	6.71		303-1
Harvested rainwater	million m^3	1.7	1.75	2.46	6.74		
Municipal water	million m^3	0	0.00	0.00	0.09		
Ground water	million m^3	0.2	0.17	0.22	1.17		
Any other water	million m^3	0.01					
Percentage of sites with water recycling	%	100	100.00	100.0	100.0		303-3
Total Quantity of Water Treated and Reused Annually	%	15.22	17.4	17.3	12.2		
Total Quantity of Water Treated and Reused Annually	million m^3	0.57	0.6	0.8	1.7		
Rain water harvesting system	No. of sites	All	All	All	All		

For the year 2018, data pertains to Cement, CPP and colony & Supply to community together

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
TOTAL WATER WITHDRAWAL IN CPP OPERATION							
Surface water	million m^3	1.7	1.4	1.3	Included in above figure		303-1
Harvested rainwater	million m^3	3.4	3.0	4.4			
municipal water	million m^3	0	0.0	0.0			
Ground water	million m^3	0.4	0.5	0.4			
WATER WITHDRAWAL IN COLONY & SUPPLY TO COMMUNITY							
Surface water	million m^3	1.2	1.2	1.5	Included in above figure		
Harvested rainwater	million m^3	2.0	1.4	0.8			
municipal water	million m^3	0.0	0.0	0.0			
Ground water	million m^3	0.1	0.6	0.2			
Supply to communities	million m^3	3.0	NR	NR	NR		
TOTAL WATER WITHDRAWAL - RMX							
Surface water - RMX	million m^3	0	0	0.0	0.0		303-1
Harvested rainwater - RMX	million m^3	0	0	0.0	0.0		
Municipal water - RMX	million m^3	0.34	0.3	0.68	0.78		
Ground water - RMX	million m^3	0.15	0.0	0.33	0.22		
Specific operational fresh water withdrawal	lit/t cement	175.95	NR	NR	NR		

Performance Table

Environment Indicators		2021	2020	2019	2018	Target 2021	GRI Index
MINING AND BIODIVERSITY							
Total number of quarries		17	17	17	17		
Total Land area (Ha)	Ha	6,920	6,823.4	6,823.4	NR		304
Total rehabilitated area (Ha)	Ha	829	794.86	789	752		
Total land disburbed (Ha)	Ha	2,001	1,972*	1,607	1,051		
Plantation in mines(no)	Number #	77,375	75,725	1,01,541	1,40,000(total)		
Sites with rehabilitation Plan	Number #	17	17	17	17		
Approved mining plans of local authorities (% sites)	Yes/No	Yes	Yes	Yes	yes		304-1
% of sites with quarry/mine rehabilitation plans in place	%	100	100	100	100		"304-3'
Number of biodiversity -sensitive sites		7	7	7	7		
Number of biodiversity -sensitive sites with Biodiversity Action Plans in place		5	5	5	5		
*In 2020, disturbed area also includes area of potential extraction ; Biodiversity/ Wildlife conservation plan is prepared only for sensitive sites							
PRESENCE OF IUCN RED LIST SPECIES*							
critically endangered	Number #	1	1	1	1		
Endangered	Number #	2	2	2	2		
Vulnerable	Number #	2	2	2	2		
Near threatened	Number #	1	1	1	1		
*Only in the sites where we may have potential impact on biodiversity and wildlife conservation plan							
ENVIRONMENTAL PERFORMANCE							
Number of manufacturing locations (Cements and grinding plants)	#	15	15	15	15		
Plants certified by 3rd party for ISO:14001 EMS	#	13	NR	NR	NR		
Environmental investment	₹ Crores	148.44	123	235.5	208		
capital investments	₹ Crores	40.94					
Operating expenses	₹ Crores	107.5					
Number of plants/ quarries reporting non compliance cases	#	0	1	0	0		
Fines or penalties paid for environmental non compliances	₹ Crores	0	0.45	0	0		

NR - Not reported

Social Indicators	Unit	2021 Male	2021 Female	2020 Male	2020 Female	2019 Male	2019 Female	2018 Male	2018 Female	GRI Index
TOTAL NUMBER OF EMPLOYEES AND THEIR BIFURCATION										
Total employees	No.	5,794	288	6,157	244	6,377	266	6,455	262	102-8
Management Staff	No.	3,400	247	3,471	198	3,624	220	3,611	218	
Non management staff	No.	2,394	41	2,686	46	2,753	46	2,844	44	
Third party employees	No.	7,354	87	6,442	0			8,312		
Casual employees	No.	0	0	0	0			14		
Total	**No.**	**13,148**	**375**	**12,599**	**244**			**15,043**		
AGE WISE - OWN EMPLOYEE BREAK UP										
<30	No.	891	131	788	79	1,015	104	1,030	102	102-8
30-50	No.	3,574	133	3,784	139	3,704	135	3,680	132	
>50	No.	1,329	24	1,585	26	1,658	27	1,759	28	
Total	**No.**	**5,794**	**288**	**6,157**	**244**	**6,377**	**266**	**6,469**	**262**	
EMPLOYEE TURNOVER - AGE WISE										
<30	No.	197	33	117	19	117	22	136	22	401-1
30-50	No.	328	14	211	15	313	21	318	17	
>50	No.	366	4	203	3	234	6	569	14	
Total	**No.**	**891**	**51**	**531**	**37**	**664**	**49**	**1,023**	**53**	
Employee turnover (%)	%	15%	18%	9%	15%					
EMPLOYEE HIRES - AGE WISE										
<30	No.	261	84	85	9	312	34	216	25	401-1
30-50	No.	246	8	122	4	90	0	150	6	
>50	No.	12		4	1	174	17	7	1	
Total	**No.**	**519**	**92**	**211**	**14**	**576**	**51**	**373**	**32**	
Differently abled employees	No	13	0	12	0	12				405
TOTAL EMPLOYEE BIFURCATION										
Top management level	No	31	1	NR	NR	NR	NR	NR	NR	
Middle management level	No	1,063	53	NR	NR	NR	NR	NR	NR	
Senior management level	No	179	8	NR	NR	NR	NR	NR	NR	
Notice given for operational changes	months	2	2	NR	NR	NR	NR	NR	NR	
Employee engagement score	No	NA	NA	NR	NR	NR	NR	NR	NR	
PARENTAL LEAVES										
No of maternal leave days	No.	0	182	0	182	0	182	182		
No of paternal leave days	No.	0	0	0	0			0		401-3
Women took maternity leave	No.	0	5	0	12	0	11	15		
Men took paternal leave	No.	0	0	0	0			0		
Women Reurned to work after maternal leave	No.	0	4	0	9	0	13	18		
Men returned to work after paternal leave	No.	0	0	0	0			0		
Women still on after maternal leave	No.	0	1	0	5	0	2	2		
Men still on after paternal leave	No.	0	0	0	0			0		
Women resigned after / during maternal leave	No.	0	0	0	1	0	0	2		
Men resignd after / during paternal leave	No.	0	0	0	0			0		
ANNUAL PERFORMANCE										
Managers who Received annual performance	No.	3,120	228	3,477	201	3,624	220	3,611	218	404-3
Non- management employees who received annual performance	No.	2,373	41	2,686	46			2,858	44	
Number of performance reviewes carried out	No	5,493	269	6,163	247			6,469	262	

Performance Table

Social Indicators	Unit	2021 Male	2021 Female	2020 Male	2020 Female	2019 Male	2019 Female	2018 Male	2018 Female	GRI Index
TRAINING HOURS										
For Health and safety	No	7,715	347.5	12,821	982	24,894	432	30,849	549	404-1, 205-2, 403-5,
For IT training	No	302	36	102	8	120	24	3,646	226	
For Management skills (Include Sofskill Trg)	No	17,385	1,097	7,466	1,149	24,255	1,101	41,837	1,436	
For Environment & sustainability	No	0	17	958	41	134	1	1,493	18	
Anti-corruption policies & procedures	No	237	44.5	210	19	870	14	2,507	144	
Other Trainings (Include Operations & technical training)	No	19,377	36,060	57,585	2,459	30,360	717	47,978	2,082	
Total hours of training	Hrs	45,016.5	37,602	79,142	4,658	80,633	2,288	1,28,307	4,455	
No of training hours for management staff	No.	39,043	37,575	66,351	4,576	62,405	2,186	1,01,650	4,425	
No of training hours for non management staff	No.	5,973	26.5	12,790	83	18,228	102	26,657	30	
Amount spent of training	₹	2460833		39,48,037				NR		
NO. OF TRAINING PROGRAMS CONDUCTED										
Top management level	Nos	38	5	NR	NR	NR	NR	NR	NR	
Senior management level	No	139	27	NR	NR	NR	NR	NR	NR	
Middle management level	No	268	75	NR	NR	NR	NR	NR	NR	
Other org. levels [(first management level and wage board]	No	309	166	NR	NR	NR	NR	NR	NR	
Total	**No**	**754**	**273**	**NR**	**NR**	**NR**	**NR**	**NR**	**NR**	
HOURS OF TRAINING PROGRAMS CONDUCTED										
Top management level	Hrs	273	10	NR	NR	NR	NR	NR	NR	
Senior management level	Hrs	2172	94	NR	NR	NR	NR	NR	NR	
Middle management level	Hrs	22128	2772	NR	NR	NR	NR	NR	NR	
Other org. levels [(first management level and wage board]	Hrs	20444	34726	NR	NR	NR	NR	NR	NR	
Average of all levels	Hrs	11254	9401	NR	NR	NR	NR	NR	NR	
EMPLOYEE COMPENSATION										
Ratio of basic salary of men to women	%	1.1		1.1						405-2
Executive level (Base salary only)	INR	1,10,17,506	65,80,768	NR	NR	NR	NR	NR	NR	
Executive level (Base salary + other cash incentive)	INR	1,41,55,863	78,49,546	NR	NR	NR	NR	NR	NR	
Management Staff (Base salary)	INR	14,15,807	11,24,231	14,43,188	12,44,357	NR	NR	NR		
Management Staff (Base salary + other cash incentive)	INR	15,51,276	12,32,081	17,03,897	14,56,200	NR	NR	NR		
Non-Management Staff (Base)	INR	5,29,863	5,06,129	5,16,989	4,92,906	NR	NR	NR		
Ratio of % increase in annual total compensation for the highest -paid individual to the median % increase in annual total compensation for all employess	%	5.5				NR	NR	NR	NR	
Employee grievance procedures in place	Yes/No	Yes	Yes	Yes	Yes	NR	NR	NR		
Anonymous grievances submission	Yes/No	Yes	Yes	Yes	Yes	NR	NR	NR		
HEALTH & SAFETY (H&S) INDICATORS										
Employee Fatalities (Nos.)	Nos	0	0	0	0	0	0	0	0	403-2
Fatality rates (directly employed)	#	0	0	0	0	0	0	0	0	
Contractor Fatalities (onsite)	Nos	0	0	0	0	4	0	0	0	
Contractors Fatalities (off site)	Nos	0	0	2	0	1	0	6		
Employee Lost Time Injury (LTI) - Permanent Emplyees	Nos	0	0	2	0	7		NR		
Employee Lost Time Injury (LTI) - Contract employees	Nos	13	0	8	1	8		NR		
Employee Lost Time Injury (LTI) - Total	Nos	13	0	10	1	15		4		

Social Indicators	Unit	2021 Male	2021 Female	2020 Male	2020 Female	2019 Male	2019 Female	2018 Male	2018 Female	GRI Index
Employee Lost Time Injury Frequency Rate (LTIFR) - Permanent employees	#	0.00		0.14		0.47		NR		
Employee Lost Time Injury Frequency Rate (LTIFR) - Contract employees	#	0.34		0.44		0.28		NR		
Employee Lost Time Injury Frequency Rate (LTIFR) - Total	#	0.25		0.31		0.34		0.26		
Employee Injury Rate (IR) - Permanent employees	#	0.29		0.75		0.94		NR		
Employee Injury Rate (IR) - Contract employees	#	0.57		0.87		0.76		NR		
Employee Injury Rate (IR) - Total	#	0.49		0.82		0.92		0.81		
Employee Lost day rate (LDR) - Permanent employees	Nos	0.00		5.73		1.81		NR		
Employee Lost day rate (LDR) - Contract employees	Nos	19.52		14.11		6.5		NR		
Employee Lost day rate (LDR) - Total	Nos	14.34		10.62		4.83		6.18		
Number of Permanent employees undergone risk based health assessment	%	100	100	100	100		100	NR		403-1
% plants with joint health and safety committees		100		100		100		100		
Plants certified with OHSAS 18000	No	7		NR		NR		NR		
No. of safety trainings programs conducted	No	20312		NR		NR		NR		
LTI & MTI		5	0	NR		NR		NR		
Occupationsal diseased		0	0	NR		NR		NR		
Occupational illness frequency rate (OIFR)		0	0	NR		NR		NR		
CUSTOMER SATISFACTION										
Overall net promoter score (NPS)	%	73								
COMMUNITY INVOLVEMENT										
Community investments or benefit to communities	₹ Cr	35 .95		32 .33		25 .07		20 .45		
DISHA	%	9.65		12.2		17.9		19.2		
LEISA	%	12.67		19.1		16.0		8.7		
Swavalamban	%	6.31		5.6		7.2		10.2		
Vidya Utkarsh	%	12.48		14.5		20.3		26.7		
Vidya Saarathi	%	5.03		3.9		2.7		3.6		
Arogyam	%	33.92		18.3		10.9		9.8		
Sampoorna Swachhata	%	8.63		8.6		10.8		11.1		
Sanrakshit Paryavaran	%	3.93		9.2		6.3		5.7		
DRONA	%	2.66		3.1		3.0		5.0		
Affordable Housing	%	0.39		0		0.0		0.0		
Impact Assessment	%	0.00		0.6		0.0		0.0		
Overhead	%	4.35		4.9		4.8				
Net new direct beneficiaries in the year	number	51,197.00								
Total number of beneficiaries in the year	million	0.53		0.83		0.5		0.48		
Stakeholder engagement at local level: Stakeholdr dialogues, Need assessment. Stakeholder involvement in CSR planning, community advisory panels, community engagement plan	% of sites	100.00		100		100		100		
Employee Volunteering										
Total hours	Hrs	4,270.00		15,375		4,217		9,153		
Paid working hours	Hrs	4,270.00		8,361		3,964		8,330		
Monetary value of paid working hours	₹ Cr	0.21								

NR - Not reported

Performance Table

Governance and Supply Chain Indicators		2021	2020	2019	2018	GRI Index
Total No of suppliers	no	**7,256**	6,977	7,460	9,517	204-1
Indian suppliers (local)	no	**7,192**	6,918	7,435	9,442	
International suppliers	no	**64**	59	25	75	
% of suppliers identified as "High Risk" (for sustainability criteria aligned with Supplier Code of Conduct)	%	**6%**	7%	7%	NR	404-1,' 308-1
Number of Suppliers screened through Self Assessment Questionnaire (socials, environmental aspects)	no	**425**	498	522	590	404-1,' 308-1
Monetary value of payments made to suppliers (Spend 2021)	₹ Crores	**13,314**	9,875	12,796	12,784	404-1,'308-1
Proportion of spending on local suppliers	%	**96.5**	94.5	98	97	
Total suppliers assessed during the year on ESG Criteria	no	**425**	NR	NR	NR	
No. of suppliers with Non- compliance	no	**165**	NR	NR	NR	
No. of suppliers with action plan	no	**80**	NR	NR	NR	
No. of suppliers showed performance improvement	no	**51**	NR	NR	NR	
Expenditure on raw materials	₹ Crores	**637.8**	NR	NR	NR	
Imported	%	**94.81**	NR	NR	NR	
Indian	%	**5.19**	NR	NR	NR	
Expenditure on spares	₹ Crores	**634.7**	NR	NR	NR	
Imported	%	**78.78**	NR	NR	NR	
Indian	%	**21.22**	NR	NR	NR	
New suppliers that were screened using ESG criteria	%	**100**	100	100	100	308-1
GOVERNANCE						
Total complaints recieved under the EthicalView Reporting Policy in 2021	No	**128**	123	117	67	205 & 206
How many of them have been resolved	No	**92**	110	64	33	
How many still under investigation:	No	**36**	15	46	34	
Confirmed cases of Corruption cases	No	**7**	4	NR	NR	
No. of business partners were terminated due to violations related to corruption of the above incidents	No	**2**	3	NR	NR	
Political contribution	₹ Crores	**Nil**	Nil	Nil	Nil	415-1, 201-1
Total monetary value of financial assistance received from governements (grants, tax, reliefs and other financial benefits)	₹ Crores	**155**	160	175	162	201-4 (a)
OUTBOUND LOGISITCS / DISPATCHES						
Sea (Bulk cement ships)	million tonnes	**0**	0	0	0	
Railways (Railway/ rake)	million tonnes	**9.3**	8.34	10.03	10.47	
Road (Trucks & Bulkers)	million tonnes	**18.32**	16.24	18.63	17.83	
Total	million tonnes	**27.63**	24.58	28.66	28.3	
Sea (Bulk cement ships)	%	**0%**	0%	0%	0%	
Railways (Railway/ rake)	%	**34%**	34%	35%	37%	
Road (Trucks & Bulkers)	%	**66%**	66%	65%	63%	
Road direct %	%	**67%**	70%	48%	52%	
Lead	km	**332**	361	350	361	
ECONOMIC PERFORMANCE & VALUE CREATION						
Gross income (includes GST)	₹ Crores	**22,752**	19,345	22,246	20,883	
Total costs	₹ Crores	**12,937**	11,188	13,532	12,239	
Direct Economic value generated	₹ Crores	**9,815**	8,157	8,714	8,644	
Payments to providers of capital	₹ Crores	**263**	263	263	282	
Payments/benefit to governmentes (taxes)	₹ Crores	**7,042**	6,364	7,055	6,796	
Direct economic value distributed	₹ Crores	**7,305**	6,627	7,318	7,078	
Economic value retained (=Economic value generated - Economic value distributed)	₹ Crores	**2,510**	1,530	1,396	1,566	

NR - Not reported

GRI Content Index

GRI Standards	Disclosure	Description	Page Number/ Reference Link
GRI 102: GENERAL DISCLOSURES 2016			
Organisational Profile	102-1	Name of the organisation	Cover page
	102-2	Activities, brands, products, and services	8-11
	102-3	Location of headquarters	7
	102-4	Location of operations	92
	102-5	Ownership and legal form	6
	102-6	Markets served	7
	102-7	Scale of the organisation	3,6,7, 17, 18
	102-8	Information on employees and other workers	72-74
	102-9	Supply chain	86-87
	102-10	Significant changes to the organisation and its supply chain	4
	102-11	Precautionary Principle or approach	62
	102-12	External initiatives	20, 90
	102-13	Membership of associations	50
Strategy	102-14	Statement from senior decision-maker	22-25
	102-15	Key impacts, risks, and opportunities	56-59
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	6
	102-17	Mechanisms for advice and concerns about ethics	50-51
Governance	102-18	Governance structure	50-55
	102-19	Delegating authority	50-55
	102-20	Executive-level responsibility for economic, environmental, and social topics	63
	102-21	Consulting stakeholders on economic, environmental, and social topics	32-33
	102-22	Composition of the highest governance body and its committees	52-53
	102-23	Chair of the highest governance body	52-53
	102-24	Nominating and selecting the highest governance body	50-55
	102-25	Conflicts of interest	123, 145
	102-26	Role of highest governance body in setting purpose, values, and strategy	63
	102-27	Collective knowledge of highest governance body	140-143
	102-28	Evaluating the highest governance body's performance	153
	102-29	Identifying and managing economic, environmental, and social impacts	63
	102-30	Effectiveness of risk management processes	56-59
	102-31	Review of economic, environmental, and social topics	63
	102-32	Highest governance body's role in sustainability reporting	63
	102-33	Communicating critical concerns	152, 163
	102-34	Nature and total number of critical concerns	152, 163
	102-35	Remuneration policies	153
	102-36	Process for determining remuneration	153
	102-37	Stakeholders' involvement in remuneration	153
	102-38	Annual total compensation ratio	364
	102-39	Percentage increase in annual total compensation ratio	364
Stakeholder Engagement	102-40	List of stakeholder groups	32-33
	102-41	Collective bargaining agreements	72
	102-42	Identifying and selecting stakeholders	32-33
	102-43	Approach to stakeholder engagement	32-33
	102-44	Key topics and concerns raised	32, 33, 35

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	102-4	Location of operations	92
	102-5	Ownership and legal form	6
	102-6	Markets served	7
	102-7	Scale of the organisation	3,6,7, 17, 18
	102-8	Information on employees and other workers	72-74
	102-9	Supply chain	86-87
	102-10	Significant changes to the organisation and its supply chain	4
	102-11	Precautionary Principle or approach	62
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	102-19	Delegating authority	50-55
	102-20	Executive-level responsibility for economic, environmental, and social topics	63
	102-21	Consulting stakeholders on economic, environmental, and social topics	32-33
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GRI Content Index

GRI Standards	Disclosure	Description	Page Number/ Reference Link
Reporting Practice	102-45	Entities included in the consolidated financial statements	339, 340
	102-46	Defining report content and topic Boundaries	4-5
	102-47	List of material topics	34-35
	102-48	Restatements of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	4-5
	102-51	Date of most recent report	4-5
	102-52	Reporting cycle	4-5
	102-53	Contact point for questions regarding the report	4-5
	102-54	Claims of reporting in accordance with the GRI Standards	4-5
	102-55	GRI content index	367
	102-56	External assurance	372-374
GRI 200: ECONOMIC			
GRI 201: Economic 2016	103-1	Explanation of the material topic and its Boundary	96-97
	103-2	The management approach and its components	96-97
	103-3	Evaluation of the management approach	96-97
	201-1	Direct economic value generated and distributed	106
	201-2	Financial implications and other risks and opportunities due to climate change	59
	201-3	Defined benefit plan obligations and other retirement plans	106
	201-4	Financial assistance received from government	106
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	364
	202-2	Proportion of senior management hired from the local community	Senior management staff is hired within the country, while non management staff at most operations is drawn from the local communities
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	84-85
	203-2	Significant indirect economic impacts	82-85, 365
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	366
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	366
	205-2	Communication and training about anti-corruption policies and procedures	364
	205-3	Confirmed incidents of corruption and actions taken	366
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	116
GRI 300: ENVIRONMENT			
GRI 301: Material 2016	301-1	Materials used by weight or volume	358
	301-2	Percentage of recycled input materials used to manufacture the organization's primary products and services	358
	301-3	Reclaimed products and their packaging materials	358
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	359
	302-2	Energy consumption outside of the organisation	359
	302-3	Energy intensity	359
	302-4	Reduction of energy consumption	359
	302-5	Reductions in energy requirements of product and services	359
GRI 303: Water and Effluents 2018	303-1	Water withdrawal by source	361
	303-2	Water sources significantly affected by withdrawal of water	361
	303-3	Water recycled and reused	361

GRI Standards	Disclosure	Description	Page Number/ Reference Link
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	362
	304-2	Significant impacts of activities, products, and services on biodiversity	362
	304-3	Habitats protected or restored	362
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	362
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	358-359
	305-2	Energy indirect (Scope 2) GHG emissions	358-359
	305-3	Other indirect (Scope 3) GHG emissions	358-359
	305-4	GHG emissions intensity	358-359
	305-5	Reduction of GHG emissions	358-359
	305-6	Emissions of ozone-depleting substances (ODS)	359
	305-7	NOx, SOx, and other significant air emission	359
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impact	360-361
	306-2	Management of significant waste-related impacts	360-361
	306-3	Waste generated	360-361
	306-4	Waste diverted from disposal	360-361
	306-5	Waste directed to disposal	360-361
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	362
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	366
	308-2	Negative environmental impacts in the supply chain and actions taken	366
GRI 400: SOCIAL			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	363
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	363
	401-3	Parental leave	363
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	363
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	77-81
	403-2	Hazard identification, risk assessment, and incident investigation	77-81
	403-3	Occupational health services	77-81
	403-4	Worker participation, consultation, and communication on occupational health and safety	77-81
	403-5	Worker training on occupational health and safety	77-81
	403-6	Promotion of worker health	77-81
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	77-81
	403-8	Workers covered by an occupational health and safety management system	77-81
	403-9	Work-related injuries	77-81, 364-365
	403-10	Work-related ill health	77-81, 364-365
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	74, 364
	404-2	Programmes for upgrading employee skills and transition assistance programmes	364
	404-3	Percentage of employees receiving regular performance and career development reviews	364
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	73, 363
	405-2	Ratio of basic salary and remuneration of women to men	363
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	156
GRI 407: Freedom Of Association And Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	366

GRI Content Index

GRI Standards	Disclosure	Description	Page Number/ Reference Link
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	178
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	178
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	364
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	76
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	76
	412-2	Employee training on human rights policies or procedures	It is included as a part of code of conduct Training
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All contracts are subject to the Supplier Code of Conduct, which include human rights clauses
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	82-85
	413-2	Operations with significant potential or actual negative impacts on local communities	82-85
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	366
	414-2	Negative social impacts in the supply chain and actions taken	366
GRI 415: Public Policy 2016	415-1	Political contributions	366
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	We assess the impact of the products and services as per the local regulations
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	We follow BIS standards
	417-2	Incidents of non-compliance concerning product and service information and labeling	There were no such incidents reported
	417-3	Incidents of non-compliance concerning marketing communications	There were no such incidents reported
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	182
GRI 419: Socio-Economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	We haven't identified any noncompliance with laws or regulations

Mapping of GCCA Sustainability Charter

Basic Parameter	Unit	Page No.	Remarks
Clinker production	Metric tonnes/year	358	
Cement production	Metric tonnes/year	358	
Cementitious production	Metric tonnes/year	358	
Number of sites	Number	358	
HEALTH & SAFETY:			
Number of fatalities, directly employed, contractors, subcontractors and third parties	Number	364	
Fatality rate: Directly employed	Number	364	
Number of lost time injuries (LTI), directly employed	Number	365	
Number of LTI, contractors and Sub contractors	Number	365	
LTI Severity Rate (SR) for directly employed	Number	365	
CLIMATE CHANGE AND ENERGY:			
Total energy from fuels used in clinker produced	MJ/year	358-359	Units reported are in GJ
Alternative fuels	Metric tonnes/year	358-359	
Energy from alternative fuels	MJ/year	358-359	Units reported are in GJ
Energy from Biomass fuels	MJ/year	358-359	Units reported are in GJ
Alternative fuel rate (kiln fuels)	%	358-359	Represented as Thermal Substitution Rate
Biomass fuel rate (kiln fuels)	%	358-359	Calculated as 2.04%
Specific heat consumption for clinker production	MJ/tonnes	358-359	
Total direct CO_2 emissions – Gross	tonnes	358-359	
Total direct CO_2 emissions – Net	tonnes	358-359	
Specifc CO_2 emissions – Gross	tonnes	358-359	
Specifc CO_2 emissions – Net	tonnes	358-359	
SOCIAL RESPONSIBILITY:			
Publish a Code of Conduct		175	
ENVIRONMENT AND NATURE:			
Biodiversity and Rehabilitation		362	
Percentage (%) of quarries with high biodiversity value where biodiversity management plan is implemented	%	362	Reported as number of quarries with BMP/WCP
Percentage (%) of quarries where rehabilitation plan is implemented	%	362	Reported in Numbers
Water		361	
Total water withdrawal by source		361	
Number of sites with a water recycling system	Number	361	
Amount of Water consumption per unit of product	Lit/T of cementitious material	361	
Emissions		359	Only for Dust, SOx and Nox*
CIRCULAR ECONOMY			
Total raw materials for clinker produced	Metric tonnes/year	358	Units reported are in Million T
Total alternative raw materials for clinker produced	Metric tonnes/year	358	Units reported are in Million T
Total alternative raw materials for cement produced	Metric tonnes/year	358	Units reported are in Million T
Alternative Raw Materials rate (% ARM)	%	358	Reported as % recycled materials used
Clinker/cement (equivalent) factor	%	360	
INDEPENDENT ASSURANCE			
Independent Assurance Statement		372	

Independent Assurance Statement

Introduction and Engagement

ACC Limited (hereafter 'ACC' or 'the Company') engaged TUV India Private Limited (TUVI) to conduct the independent Non-Financial assurance of Integrated Report (hereinafter 'the Report'), which includes "Type 2, Moderate Level" of ACC Sustainability information for the applied reporting period, 1st January to 31st December 2021. Remote verification was conducted in February 2022 for the Chanda plant Maharashtra, Damodar Grinding Plant, West Bengal and ACC Limited, Head Office, Mumbai including the RMX business, together with a desk review carried out for all other ACC sites within the reporting boundary.

Scope, Boundary and Limitations of Assurance

The scope of the Sustainability assurance includes following

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

The reporting boundary is based on the internal and external materiality assessment. The reporting aspect boundaries are set out in the Report covering the sustainability performance of the ACC encompassing 11 Integrated Cement Plants and 6 Grinding Units and 80 Ready Mix Concrete (RMX) plants. Our engagement did not include an assessment of the adequacy or the effectiveness of ACC's strategy or management of sustainability related issues. During the assurance process, TUVI did not come across the limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as a part of the Sustainability Verification.

Verification Methodology

The Report was evaluated against the following criteria:

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

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

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

Opportunities for Improvement

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

- Disposal method at recycler end can be tracked to improve the traceability of waste diversion;
- Monitoring of treated water can be strengthening by installation of flow meters
- The existing supplier assessment manual can be calibrated with the contemporary best practices example ISO 20400
- ACC can, further increase waste related disclosures by adopting the GRI disclosure requirements following the GRI 306 - 2020 requirements

Conclusions

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

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

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

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

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

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

Evaluation of the adherence to AA1000 AccountAbility Principles

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

Materiality: The materiality assessment process has been freshly conducted in the current year based on the requirement of GRI standards, considering the topics that are internal and external to the ACC range of businesses The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of ACC. In our view, the Report meets the requirements.

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

Independent Assurance Statement

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

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

TUV's Competence and Independence

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

For and on behalf of TUV India Private Limited

MBorekar

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Date: 15/02/2022
Place: Mumbai, India
Project Reference No: 8119962092
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