

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016

### 1. COMPANY OVERVIEW

ACC Limited (the Company) is a public limited company incorporated in India under the provision of Companies Act, 1913. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) in India. The Company is engaged in the manufacturing and selling of Cement and Ready mix concrete. The Company caters mainly to the domestic market.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of preparation

- a) The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 (“the Act”), read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.
- b) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### (ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### (iii) Tangible fixed assets

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses, if any (except freehold non mining land which is carried at cost less impairment losses). The cost comprises the purchase price (net of Cenvat and VAT credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

Subsequent expenditures related to an item of tangible asset are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

- b) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.
- c) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under “Other Current Assets”.
- d) Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- e) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in-progress”. Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under “Long Term Loans and Advances”.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended December 31, 2016 (contd.)

**(iv) Depreciation on tangible fixed assets**

- a) Depreciation on fixed assets, other than Captive Power Plant related assets (CPP assets), is provided using the straight-line method and on CPP assets using the written-down value method based on their respective estimated useful lives.

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

Estimated useful lives of assets are determined based on technical parameters / assessment.

The aforesaid estimated useful lives for computing depreciation is different in following case from the useful life specified in Schedule II to the Companies Act, 2013;

Particulars	Useful Life estimated by the management
Plant and Equipments related to Captive Power Plant	20 Years

Depreciation is calculated on a pro-rata basis from the date of installation or acquisition and in case of Projects from the date of commencement of commercial production till the date the assets are sold or disposed off.

- b) Machinery spares which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged in the Statement of Profit and Loss, on issue for consumption.
- c) Leasehold land is amortized on a straight-line basis over the period of lease which is 10 to 99 years.
- d) Freehold land used for mining is depreciated on the basis of quantity of minerals actually extracted during the year with respect to the estimated total quantity of extractable mineral reserves.

**(v) Intangible assets and amortisation**

Intangible assets are stated at cost of acquisition less accumulated amortisation and impairment losses if any. Intangible assets are amortised over their estimated useful economic life. Computer Software cost is amortised over a period of three years using straight-line method.

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

**(vi) Impairment of assets**

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized in the Statements of Profit and Loss wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### (vii) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of an asset which takes a substantial period of time to get ready for its intended use, are capitalised as a part of the cost of such assets, until such time the asset is substantially ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period they occur.

Borrowing costs consist of interest and other costs incurred in connection with borrowing of funds.

### (viii) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which are expected to be realized within twelve months from Balance Sheet date is also presented under "Current Investments" under "Current portion of long-term investments" in consonance with the current / non-current classification of Schedule III of the Act.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at the lower of cost and fair value determined on an individual basis.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is recognised in the Statement of Profit and Loss.

### (ix) Inventories

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores & Spare parts, Packing Material and Fuels

Lower of cost and net realizable 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 is determined on a weighted average basis.

b) Work-in-progress, Finished goods and Stock-in-Trade

Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of Stock-in-Trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a weighted average basis.

Net realizable 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) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

### (xi) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of trade discounts and returns, as applicable. The Company collects sales tax and value added tax (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Sales exclude self-consumption of cement. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

### Income from services

Revenue from services is recognised (net of service tax, as applicable) pro-rata over the period of the contract as and when services are rendered.

### Interest and Dividend Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date.

### (xii) Government Grants and Subsidies

- a) Government grants and subsidies are recognized when there is reasonable assurance that the conditions attached to them will be complied, and grant/subsidy will be received.
- b) Where the Government grants / subsidies relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grants and subsidies receivable against an expense are deducted from such expense.
- c) Grants and subsidies receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.
- d) Government grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds.

### (xiii) Leases

#### Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

### (xiv) Foreign currency transactions

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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

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

### (xv) Retirement and other employee benefits

#### a) Short term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

#### b) Defined contribution plans

The Company's Officer's Superannuation Fund scheme, state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds.

#### c) Defined benefit plans

The Company's Gratuity fund scheme, additional gratuity scheme and post employment benefit scheme are considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. Periodic contributions to the Fund are charged to the Statement of Profit and Loss. The Company has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognized in the Statement of Profit and Loss.

The Company's liability is determined on the basis of an actuarial valuation using the deterministic approach.

#### d) Other long term benefits

Long service awards and accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year, are treated as other long term employee benefits for measurement purposes. The Company's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

e) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year 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.

f) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary. The Company presents the entire compensated absences as a short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

g) Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss as and when accrue.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### (xvi) Income taxes

Tax expense comprises of current and deferred 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 is measured at the amount expected to be paid to the tax authorities in accordance with the applicable provisions of the Income-tax Act, 1961 including the relevant Transfer Pricing regulations prescribed there under, read with applicable judicial precedents or interpretations, where ever relevant.

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 income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 reasonably certain 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown "MAT Credit Entitlement" under the head loans and advances. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### (xvii) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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 beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### (xviii) Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (xix) Mines Restoration Expenditure

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the estimate of mineral reserves and a provision is made based on minerals extracted during the year.

Mines restoration expenses is incurred on an on going basis and until the closure of the quarries and mines. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

### (xx) Classification of Current / Non-Current Assets and Liabilities

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

### (xxi) Segment Reporting

#### Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 3. SHARE CAPITAL

	2016 ₹ Crore	2015 ₹ Crore
<b>Authorised Shares</b>		
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
<b>Issued</b>		
18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each	188.79	188.79
<b>Subscribed &amp; Paid-up</b>		
18,77,87,263 (Previous Year - 18,77,45,356) Equity Shares of ₹ 10 each fully paid	187.79	187.75
Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each Forfeited - Amount Paid	0.20	0.20
<b>TOTAL</b>	<b>187.99</b>	<b>187.95</b>

#### i) Reconciliation of number of equity shares outstanding

	2016		2015	
	No. of shares	₹ Crore	No. of shares	₹ Crore
Equity Shares at the beginning of the year	18,77,45,356	187.75	18,77,45,356	187.75
Add: Shares issued out of held in abeyance*	41,907	0.04	-	-
Equity Shares at the end of the year	18,77,87,263	187.79	18,77,45,356	187.75

\*During the current year, pursuant to the Orders passed by the Special Court (TORTS) the Company has allotted 41,907 Equity Shares (Previous year – Nil) out of the shares kept in abeyance of Rights Issue 1999.

#### 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 their subsidiaries

	2016 ₹ Crore	2015 ₹ Crore
* Ambuja Cements Limited, the Holding Company 9,39,84,120 (Previous Year - Nil) Equity shares ₹10 each fully paid	93.98	-
* Holcim (India) Private Limited, the Holding Company Nil (Previous Year - 9,38,88,120) Equity shares ₹10 each fully paid	-	93.89
Holderind Investments Ltd, Mauritius, Holding Company of Ambuja Cements Limited 84,11,000 (Previous Year - 5,41,000) Equity shares ₹10 each fully paid	8.41	0.54

Companies referred above are subsidiaries of LafargeHolcim Ltd, Switzerland, the ultimate holding company.



## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### iv) Details of shareholders holding more than 5% shares in the Company

	2016		2015	
	No. of shares	% holding	No. of shares	% holding
*Ambuja Cements Limited	9,39,84,120	50.05	-	-
*Holcim (India) Private Limited	-	-	9,38,88,120	50.01
Life Insurance Corporation of India	2,12,26,841	11.30	2,21,74,751	11.81

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

\*The Company was a subsidiary of Holcim (India) Private Limited. Pursuant to the amalgamation of Holcim (India) Private Limited into Ambuja Cements Limited, effective August 12, 2016, the Company has become a subsidiary of Ambuja Cements Limited.

- v) No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

## 4. RESERVES AND SURPLUS

	2016		2015
	₹ Crore	₹ Crore	₹ Crore
<b>Capital Reserve</b>		82.88	82.88
<b>Securities Premium Account</b>			
Balance as per last Financial statements	844.84		844.84
Add: Premium on shares issued out of held in abeyance	0.19		-
		845.03	844.84
<b>General Reserve</b>			
Balance as per last Financial statements	2,693.30		2,663.30
Add: Transferred from Surplus in Statement of Profit and Loss	30.00		30.00
		2,723.30	2,693.30
<b>Surplus in Statement of Profit and Loss</b>			
Balance as per last Financial statements	4,634.07		4,456.64
Add: Profit for the year	602.40		591.57
	5,236.47		5,048.21
<b>Less - Appropriations</b>			
Interim equity dividend {amount per share ₹ 11 (Previous Year - ₹ 11)}	206.57		206.52
Proposed final equity dividend (amount per share ₹ 6 (Previous Year - ₹ 6))	112.67		112.65
Tax on equity dividends	64.99		64.97
Transfer to General Reserve	30.00		30.00
	414.23		414.14
		4,822.24	4,634.07
<b>TOTAL</b>		8,473.45	8,255.09

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 5. DEFERRED TAX LIABILITIES (NET)

	2016 ₹ Crore	2015 ₹ Crore
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	765.95	652.65
	765.95	652.65
Deferred Tax Assets arising on account of :		
Provision for employee benefits	44.08	27.57
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	105.59	101.32
Provision for obsolescence of Stores and Spare Parts	9.88	9.88
Provision for doubtful debts, advances and other assets	17.27	17.66
Others	30.99	27.06
	207.81	183.49
<b>Net Deferred Tax Liabilities</b>	<b>558.14</b>	<b>469.16</b>

### 6. LONG-TERM PROVISIONS

	2016 ₹ Crore	2015 ₹ Crore
Provision for employee benefits (Refer Note - 31)		
Provision for gratuity and staff benefit schemes	103.79	93.01
Long service award	6.75	6.39
Other Provisions		
Provision for Mines Restoration	21.14	20.46
<b>TOTAL</b>	<b>131.68</b>	<b>119.86</b>

Movement of provision during the year as required by Accounting Standard 29 :

Mines Restoration Expenditure

	2016 ₹ Crore	2015 ₹ Crore
Opening provision	20.46	20.88
Add: Provision during the year	0.70	0.15
Less: Utilisation during the year	(0.02)	(0.57)
Closing provision	21.14	20.46

Mines restoration expenditure is incurred on an ongoing basis and until the closure of the mine. 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, 2016 (contd.)

### 7. SHORT-TERM BORROWINGS

	2016 ₹ Crore	2015 ₹ Crore
<b>Unsecured</b>		
Loan from a related party {Refer Note - 34 C (xviii)} (From a wholly owned subsidiary)	50.02	35.50
<b>TOTAL</b>	50.02	35.50

The above loan is repayable on demand and carries rate of interest at 9% p.a. (Previous year - 10.10% p.a)

### 8. OTHER CURRENT LIABILITIES

	2016 ₹ Crore	2015 ₹ Crore
Interest accrued but not due on borrowings {Refer Note - 34 C (xix)}	1.70	2.44
<b>Investor Education and Protection Fund :- (Refer Note - (i) below)</b>		
Unpaid dividend	32.34	33.44
Unpaid Matured Deposits	0.02	0.02
Statutory dues	414.85	378.50
Advance from customers	201.77	137.81
Security deposits and retention money	533.81	666.77
Liability for capital expenditure	96.95	113.13
Other payables (including Rebates to customers, Employees dues, etc.)	891.67	927.71
<b>TOTAL</b>	2,173.11	2,259.82

- i) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at December 31, 2016

### 9. SHORT-TERM PROVISIONS

	2016 ₹ Crore	2015 ₹ Crore
<b>Provision for employee benefits (Refer Note - 31)</b>		
Provision for gratuity and staff benefit schemes	23.11	9.87
Provision for compensated absences	28.03	38.44
Long service award	0.88	0.78
<b>Other Provisions</b>		
Provision for Income Tax (Net of advance tax)	418.52	454.66
Proposed final dividend	112.67	112.65
Tax on proposed dividend	22.94	22.93
<b>TOTAL</b>	606.15	639.33

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 10. FIXED ASSETS

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01-01-2016	Additions	Deductions	As at 31-12-2016	As at 01-01-2016	For the Year	Deductions	As at 31-12-2016	As at 31-12-2015
<b>Tangible Assets :</b>									
Freehold Non Mining Land	92.69	6.92	-	99.61	-	-	-	99.61	92.69
Freehold Mining Land	297.77	6.48	-	304.25	2.24	0.24	-	301.77	295.53
Leasehold Land	85.41	24.59	1.38	108.62	45.42	3.18	0.10	60.12	39.99
Buildings	1,455.85	648.47	0.73	2,103.59	533.55	64.48	0.50	1,506.06	922.30
Plant and Equipment	8,938.47	2,004.32	91.06	10,851.73	5,193.51	496.26	58.28	5,631.49	3,744.96
Railway Sidings	174.55	87.18	-	261.73	68.76	13.69	-	179.28	105.79
Furniture & Fixtures	44.35	3.85	0.12	48.08	25.71	4.63	0.10	17.84	18.64
Vehicles	70.73	17.00	1.54	86.19	37.01	8.77	1.45	41.86	33.72
Office equipment	133.66	14.73	4.34	144.05	102.50	13.78	4.30	32.07	31.16
<b>Total</b>	<b>11,293.48</b>	<b>2,813.54</b>	<b>99.17</b>	<b>14,007.85</b>	<b>6,008.70</b>	<b>605.03</b>	<b>64.73</b>	<b>6,549.00</b>	<b>5,284.78</b>
<b>Intangible Assets :</b>									
Computer Software	58.97	3.63	-	62.60	58.77	0.30	-	3.53	0.20
<b>Total</b>	<b>58.97</b>	<b>3.63</b>	<b>-</b>	<b>62.60</b>	<b>58.77</b>	<b>0.30</b>	<b>-</b>	<b>3.53</b>	<b>0.20</b>

#### Notes:-

- (i) Buildings include cost of shares ₹ 4,210 (Previous Year - ₹ 4,960) in various Co-operative Housing Societies, in respect of 8 (Previous Year - 10) residential flats.
- (ii) Plant and Equipment includes assets given on lease to Railways under "Own Your Wagons" Scheme of ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
- (iii) Depreciation charge for the year include ₹ 0.17 Crore (Previous year - ₹ 1.22 Crore) capitalised as pre-operative expenses.
- (iv) Major additions in tangible assets is relating to capitalisation of Clinkering Facility of 2.79 MTPA and Cement facility of 1.1 MTPA at Jamul in State of Chhattisgarh and Cement grinding facility of 1.35 MTPA at Sindri in State of Jharkhand in current year.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 10. FIXED ASSETS (contd.)

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01-01-2015	Additions	Deductions	As at 31-12-2015	As at 01-01-2015	For the Year	Adjustment as disclosed under Exceptional item (Refer Note - 50)	Deductions	As at 31-12-2015	As at 31-12-2014
<b>Tangible Assets :</b>										
Freehold Non Mining Land	118.88	5.87	32.06	92.69	-	-	-	-	92.69	118.88
Freehold Mining Land	165.66	132.11	-	297.77	1.99	0.25	-	-	295.53	163.67
Leasehold Land	76.71	8.70	-	85.41	40.70	4.72	-	-	39.99	36.01
Buildings	1,351.22	117.32	12.69	1,455.85	405.78	74.36	58.16	4.75	922.30	945.44
Plant and Equipment	8,774.39	298.81	134.73	8,938.47	4,675.36	524.24	69.40	75.49	3,744.96	4,099.03
Railway Sidings	171.38	4.58	1.41	174.55	55.80	12.43	1.88	1.35	68.76	115.58
Furniture & Fixtures	43.00	2.56	1.21	44.35	20.03	5.83	0.90	1.05	25.71	22.97
Vehicles	64.04	8.23	1.54	70.73	30.66	7.63	0.18	1.46	37.01	33.38
Office equipment	126.36	14.46	7.16	133.66	63.57	23.31	22.65	7.03	102.50	62.79
<b>TOTAL</b>	<b>10,891.64</b>	<b>592.64</b>	<b>190.80</b>	<b>11,293.48</b>	<b>5,293.89</b>	<b>652.77</b>	<b>153.17</b>	<b>91.13</b>	<b>6,008.70</b>	<b>5,597.75</b>
<b>Intangible Assets :</b>										
Computer Software	59.08	0.07	0.18	58.97	58.44	0.51	-	0.18	58.77	0.64
<b>TOTAL</b>	<b>59.08</b>	<b>0.07</b>	<b>0.18</b>	<b>58.97</b>	<b>58.44</b>	<b>0.51</b>	<b>-</b>	<b>0.18</b>	<b>58.77</b>	<b>0.64</b>



## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 11. NON-CURRENT INVESTMENTS

(VALUED AT COST UNLESS STATED OTHERWISE)

	2016		2015	
	Numbers	₹ Crore	Numbers	₹ Crore
<b>Trade Investments</b>				
<b>Unquoted equity instruments</b>				
Investment in subsidiaries				
<b>Face value ₹ 10 each</b>				
Bulk Cement Corporation (India) Limited	3,18,42,050	37.27	3,18,42,050	37.27
Singhania Minerals Private Limited	5,20,000	5.50	20,000	5.00
(5,00,000 shares subscribed for ₹ 0.50 Crore during the year)				
<b>Face value ₹ 100 each</b>				
Lucky Minmat Limited	325,000	38.10	325,000	38.10
ACC Mineral Resources Limited	1,21,95,000	121.95	1,21,95,000	121.95
Less: Provision for other than temporary diminution in the value (Refer Note - 41)		57.96		15.15
		63.99		106.80
National Limestone Company Private Limited	2,00,000	18.15	2,00,000	18.15
Less: Provision for other than temporary diminution in the value		4.13		4.13
		14.02		14.02
<b>Investment in Associates</b>				
<b>Face value ₹ 10 each</b>				
Alcon Cement Company Private Limited	4,08,001	22.25	4,08,001	22.25
Asian Concretes and Cements Private Limited	81,00,000	36.81	81,00,000	36.81
Aakaash Manufacturing Company Private Limited	4,401	6.01	4,401	6.01
<b>Investment in Joint Venture</b>				
<b>Face value ₹ 10 each</b>				
OneIndia BSC Private Limited	25,01,000	2.50	25,01,000	2.50
			226.45	268.76
<b>Non trade investments</b>				
<b>(a) Quoted equity instruments</b>				
Shiva Cement Limited (Face value ₹ 2 each)	2,36,50,000	23.65	2,36,50,000	23.65
Less: Provision for other than temporary diminution in the value		17.86		17.86
		5.79		5.79

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended December 31, 2016 (contd.)

**11. NON-CURRENT INVESTMENTS (contd.)**

(VALUED AT COST UNLESS STATED OTHERWISE)

	2016		2015	
	Numbers	₹ Crore	Numbers	₹ Crore
<b>(b) Investment in equity instruments (unquoted)</b>				
<b>Face value ₹ 10 each</b>				
* 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	-
<b>Face value ₹ 5 each</b>				
* The Sone Valley Portland Cement Company Limited	100	-	100	-
			5.79	5.79
<b>(c) Investment in Bonds (Unquoted)</b>				
<b>Face value ₹ 10,00,000 each</b>				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Less: Current portion of long term investments#		-		3.70
			3.70	-
<b>TOTAL</b>			<b>235.94</b>	<b>274.55</b>

Notes

(I) Aggregate amount of quoted Investments	5.79	5.79
{Market value ₹ 28.36 Crore (Previous year - ₹ 17.05 Crore)}		
Aggregate amount of unquoted Investments	230.15	268.76
(II) Aggregate provision for diminution in value of investments	79.95	37.14
(III) * Denotes amount less than ₹ 50,000		
(IV) # Amount included under the head "Current investment" (Refer Note - 14)		
Bonds are renewed in the current year		

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 12. LONG-TERM LOANS AND ADVANCES

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

	2016 ₹ Crore	2015 ₹ Crore
Capital Advances	94.23	298.58
Security deposits	180.99	204.46
<b>Deposits with Government Bodies and Others</b>		
Considered good	251.70	250.17
Considered doubtful	8.33	9.78
	260.03	259.95
Less: Allowance for doubtful deposits	8.33	9.78
	251.70	250.17
Advances recoverable in cash or kind	14.40	15.01
Advance tax (Net of provision for tax)	303.91	305.16
MAT credit entitlement	117.55	-
<b>TOTAL</b>	<b>962.78</b>	<b>1,073.38</b>

### 13. OTHER NON-CURRENT ASSETS

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

	2016 ₹ Crore	2015 ₹ Crore
<b>Incentives under Government schemes and other receivables</b>		
Considered good	482.99	465.82
Considered doubtful	4.60	6.39
	487.59	472.21
Less: Provision for doubtful receivables	4.60	6.39
	482.99	465.82
Non-current bank balance (Refer Note - 17)	0.06	0.11
<b>TOTAL</b>	<b>483.05</b>	<b>465.93</b>



## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 14. CURRENT INVESTMENTS

(VALUED AT LOWER OF COST AND FAIR VALUE, UNLESS OTHERWISE STATED)

	2016		2015	
	Numbers	₹ Crore	Numbers	₹ Crore
Current Portion of Long Term Investment (valued at cost) (Refer Note - 11)				
Investment in Bonds (Unquoted)				
<b>Face value ₹ 10,00,000 each</b>				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Less: Transferred to long term investments		3.70		-
				3.70
Investment in Certificate of Deposits - Fully paid-up (unquoted)				
<b>Unit of Face value ₹ 100,000 each</b>				
Canara Bank	20,000	197.15	-	-
ICICI Bank Limited	15,000	147.95	-	-
Kotak Mahindra Bank Limited	10,000	98.54	25,000	245.69
Andhra Bank	20,000	197.19	20,000	196.51
Corporation Bank	20,000	197.44	10,000	98.46
IDBI Bank Limited	-	-	7,500	73.73
HDFC Bank Limited	-	-	7,500	74.02
Bank of Maharashtra	-	-	25,000	246.51
Oriental Bank	-	-	20,000	197.53
		838.27		1,132.45
Investment in Mutual Funds - Fully paid-up (Unquoted)				
<b>Unit of Face value ₹ 100 each</b>				
ICICI Prudential Liquid Plan - Growth	59,24,356.077	140.00	-	-
Birla Sunlife Cash Plus Fund - Growth	50,65,307.074	130.00	-	-
<b>Unit of Face value ₹ 1,000 each</b>				
Kotak Floater ST - Growth	4,95,982.676	130.00	1,02,648.091	25.00
Invesco India Liquid Fund - Growth (Formerly known as Religare Liquid Fund - Growth)	5,45,810.988	120.00	1,95,736.947	40.00
Reliance Liquid Fund - Treasury plan - Growth	1,80,190.786	70.00	-	-
HDFC Liquid Fund - Growth	4,45,512.227	140.00	-	-
		730.00		65.00
<b>TOTAL</b>		<b>1,568.27</b>		<b>1,201.15</b>
Aggregate amount of unquoted Investments		1,568.27		1,201.15

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 15. INVENTORIES

(AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

	2016 ₹ Crore	2015 ₹ Crore
Raw Materials (Including in transit ₹ 2.87 Crore (Previous Year - ₹ 3.83 Crore))	131.07	132.01
Work-in-Progress	238.74	241.20
Finished Goods	138.64	152.54
Stock-in-trade	0.02	0.65
Stores & Spare Parts {Including in transit ₹ 9.27 Crore (Previous Year - ₹ 7.08 Crore)}	301.41	265.84
Packing Material	19.08	18.24
Fuels {Including in transit ₹ 22.10 Crore (Previous Year - ₹ 6.43 Crore)}	394.79	378.12
<b>TOTAL</b>	<b>1,223.75</b>	<b>1,188.60</b>

### 16. TRADE RECEIVABLES

	2016 ₹ Crore	2015 ₹ Crore
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	6.19	19.81
Unsecured, considered doubtful	35.29	27.45
	41.48	47.26
Less: Provision for doubtful trade receivables	35.29	27.45
	6.19	19.81
Other Trade receivables		
Secured, considered good	55.78	77.88
Unsecured, considered good	405.76	386.66
Unsecured, considered doubtful	1.69	7.41
	463.23	471.95
Less: Provision for doubtful trade receivables	1.69	7.41
	461.54	464.54
<b>TOTAL</b>	<b>467.73</b>	<b>484.35</b>

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended December 31, 2016 (contd.)

**17. CASH AND BANK BALANCES**

	2016 ₹ Crore	2015 ₹ Crore
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	58.23	58.04
Deposits with original maturity of less than three months	50.00	-
#On unpaid dividend account	32.34	33.44
Cash on hand	0.05	0.11
	140.62	91.59
<b>Other bank balances</b>		
*Deposits with original maturity for more than 3 months but less than 12 months	115.01	-
**Margin money deposit	19.94	-
Deposits with remaining maturity for more than 12 months	0.06	0.11
Less : Amount disclosed under non-current asset (Refer Note - 13)	(0.06)	(0.11)
	-	-
Post office saving accounts	0.01	0.01
	134.96	0.01
<b>TOTAL</b>	275.58	91.60

#These balances are available for use only towards settlement of corresponding unpaid dividend liabilities.

\*Includes fixed deposit with lien in favour of Competition Appellate Tribunal (COMPAT) of ₹ 114.76 Crore (Previous Year - ₹ Nil) {Refer Note - 36 (A) (d)}.

\*\*Margin money deposit is against bank guarantee given to Government authorities.

**18. SHORT-TERM LOANS AND ADVANCES**

Unsecured, Considered Good, unless otherwise stated

	2016 ₹ Crore	2015 ₹ Crore
Security deposits	21.73	19.30
Loans and advances to related parties {Refer Note - 34 (c) (xv)}	0.56	0.36
Advances recoverable in cash or kind	166.07	113.61
<b>Other loans and advances</b>		
Balances with statutory / government authorities	148.66	116.57
Deposit with HDFC Limited	100.00	100.00
<b>TOTAL</b>	437.02	349.84

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 19. OTHER CURRENT ASSETS

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

	2016 ₹ Crore	2015 ₹ Crore
Interest accrued on investments	3.72	6.53
Other Accrued Interest	1.33	1.29
Fixed assets held for sale	46.49	47.29
Others	8.61	0.37
<b>TOTAL</b>	<b>60.15</b>	<b>55.48</b>

### 20. REVENUE FROM OPERATIONS

	2016 ₹ Crore	2015 ₹ Crore
Sale of products		
Finished goods	12,359.94	12,745.39
Traded goods	92.71	112.37
Sale of services	13.14	18.88
Sale of products and services (gross)	12,465.79	12,876.64
Less: Excise duty	1,529.38	1,443.88
Sale of products and services (net)	10,936.41	11,432.76
Other operating revenue	221.93	364.07
<b>Revenue from operations (net)</b>	<b>11,158.34</b>	<b>11,796.83</b>

Breakup of Revenue from operations (net) is as follows:		2016 ₹ Crore	2015 ₹ Crore
<b>A</b>	<b>Details of products sold</b>		
	Finished goods (Net of Excise duty)		
	Cement	9,841.80	10,437.09
	Ready Mix Concrete	948.77	851.47
	Clinker	39.99	12.95
		<b>10,830.56</b>	<b>11,301.51</b>
	Traded Goods		
	Cement	-	15.22
	Ready Mix Concrete	92.71	97.15
		<b>92.71</b>	<b>112.37</b>
<b>B</b>	<b>Details of sale of services</b>		
	Pumping and Conversion services relating to Ready mix concrete	13.14	18.88
		<b>13.14</b>	<b>18.88</b>
<b>C</b>	<b>Detail of other Operating revenue</b>		
	Provision no longer required written back	23.68	10.66
	Sale of Surplus generated Power	13.11	5.39
	Scrap Sales	26.85	33.10
	Sales tax Incentives*	65.89	214.54
	Miscellaneous Income (including insurance claim, other services, etc.)	92.40	100.38
		<b>221.93</b>	<b>364.07</b>
	<b>Total Revenue from operations (net) (A+B+C)</b>	<b>11,158.34</b>	<b>11,796.83</b>

\*Sales tax Incentives under State Investment Promotion Scheme

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 21. OTHER INCOME

	2016 ₹ Crore	2015 ₹ Crore
Interest on bank deposits	58.31	59.63
Interest on income tax	-	29.84
Other interest income	4.14	4.13
Gain on sale of current investments	21.15	22.24
Dividend from long term investments	7.64	2.04
Profit on sale of fixed assets (Net)	20.46	-
Exchange Gain (Net)	1.01	1.47
<b>TOTAL</b>	<b>112.71</b>	<b>119.35</b>

### 22. COST OF MATERIALS CONSUMED

	2016 ₹ Crore	2015 ₹ Crore
Opening Stock	132.01	139.07
Purchase	1,586.32	1,732.72
	1,718.33	1,871.79
Less: Closing Stock	131.07	132.01
<b>TOTAL</b>	<b>1,587.26</b>	<b>1,739.78</b>

Details of cost of materials consumed

	2016 ₹ Crore	2015 ₹ Crore
Slag	184.41	198.64
Gypsum	288.90	368.29
Fly Ash	311.96	353.05
Cement	80.11	79.21
Aggregates	154.71	134.31
Others*	567.17	606.28
<b>TOTAL</b>	<b>1,587.26</b>	<b>1,739.78</b>

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

### 23. PURCHASE OF TRADED GOODS

	2016 ₹ Crore	2015 ₹ Crore
Cement	-	13.71
Ready Mix Concrete	90.17	94.58
<b>TOTAL</b>	<b>90.17</b>	<b>108.29</b>

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2016 ₹ Crore	2015 ₹ Crore	(Increase) / decrease ₹ Crore
Inventories at the end of the year			
Stock-in-trade	0.02	0.65	0.63
Finished Goods	138.64	152.54	13.90
Work -in-progress	238.74	241.20	2.46
	377.40	394.39	16.99
Inventories at the beginning of the year			
Stock-in-trade	0.65	0.37	(0.28)
Finished Goods	152.54	153.75	1.21
Work -in-progress	241.20	240.32	(0.88)
	394.39	394.44	0.05
<b>TOTAL</b>	16.99	0.05	

### 25. EMPLOYEE BENEFITS EXPENSE

	2016 ₹ Crore	2015 ₹ Crore
Salaries and Wages	665.93	667.23
Contributions to Provident and other Funds	63.44	57.32
Staff Welfare Expenses	48.94	45.32
<b>TOTAL</b>	778.31	769.87

### 26. FREIGHT AND FORWARDING EXPENSE

	2016 ₹ Crore	2015 ₹ Crore
On Clinker transfer	452.86	460.30
On finished products	2,201.80	2,262.70
<b>TOTAL</b>	2,654.66	2,723.00

### 27. FINANCE COSTS

	2016 ₹ Crore	2015 ₹ Crore
Interest expenses	48.19	46.13
Interest on Income Tax	24.68	21.19
<b>TOTAL</b>	72.87	67.32

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 28. DEPRECIATION AND AMORTIZATION EXPENSE

	2016 ₹ Crore	2015 ₹ Crore
Depreciation of tangible assets	604.86	651.55
Amortization of intangible assets	0.30	0.51
<b>TOTAL</b>	<b>605.16</b>	<b>652.06</b>

### 29. OTHER EXPENSES

	2016 ₹ Crore	2015 ₹ Crore
Consumption of stores and spare parts	389.59	377.99
Consumption of packing materials	353.84	404.44
Excise duty variation on opening and closing stock	(0.14)	1.88
Rent	30.12	29.90
Rates and taxes	149.04	145.52
Repairs to Building	9.35	7.99
Repairs to Machinery	133.74	129.67
Repairs to other Items	25.56	23.57
Insurance	24.60	25.44
Royalties on minerals	216.80	205.72
Discount on sales	76.68	90.80
Advertisement	80.57	110.13
Technology and Know-how fees	107.98	112.76
Miscellaneous expenses {Refer Note -51 and Refer Note - (i) & (ii) below}* <b>TOTAL</b>	<b>865.08</b> <b>2,462.81</b>	<b>868.13</b> <b>2,533.94</b>
*Does not include any item of expenditure with a value of more than 1% of turnover		
<b>i) Payment to Statutory Auditors</b> (excluding service tax)		
As auditors		
Audit fees	3.57	3.30
Audit fees for tax financial statements	0.63	0.53
Out of pocket expenses	0.17	0.16
In other matters - Certification	0.12	0.10
<b>TOTAL</b>	<b>4.49</b>	<b>4.09</b>

#### ii) Miscellaneous expenses includes:

- (a) Loss on sale / write off of Fixed Assets (Net) - ₹ Nil (Previous Year - ₹ 30.45 Crore)
- (b) Provision for diminution, other than temporary in the value of long term investment in subsidiary company of ₹ Nil (Previous year - ₹ 15.15 Crore) {Refer Note - 41}
- (c) Grinding facility charges, Commission on sales, Information technology services, Traveling expenses, Other third party services etc.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 30. EARNINGS PER SHARE - [EPS]

	2016 ₹ Crore	2015 ₹ Crore
Net Profit as per Statement of Profit and Loss	602.40	591.57
<b>Weighted average number of equity shares for Earnings Per Share computation</b>		
Shares for Basic Earnings Per Share	18,77,71,233	18,77,45,356
Add: Potential diluted equity shares on account of shares in abeyance (Movement in Number of shares is on account of change in fair value of share and 41,907 shares issued in current year)	4,75,207	4,83,518
Number of Shares for Diluted Earnings Per Share	18,82,46,440	18,82,28,874
<b>Earnings Per Share</b>		
Face value per Share	₹ 10.00	10.00
Basic	₹ 32.08	31.51
Diluted	₹ 32.00	31.43

### 31. EMPLOYEE BENEFITS:

- a) Defined Contribution Plans – Amount recognised and included in Note 25 “Contributions to Provident and other Funds” of Statement of Profit and Loss ₹ 17.26 Crore (*Previous Year - ₹ 18.28 Crore*).
- b) Defined Benefit Plans – As per actuarial valuation on December 31, 2016

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

- i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of qualifying insurance policies.
- ii. Every employee who has joined before 1st December 2005 and separates from service of the Company on Superannuation and on medical grounds is entitled to additional gratuity. The scheme is Non Funded.
- iii. Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.
- iv. Provident fund for certain eligible employees is managed by the Company through trust “The Provident Fund of ACC Ltd.”, in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

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

The ASB Guidance on Implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefit plans involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and there is no shortfall as at December 31, 2016 and December 31, 2015.



## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 31. EMPLOYEE BENEFITS: (contd.)

#### Defined Benefit Plans as per Actuarial valuation on December 31, 2016

	Gratuity (Including additional gratuity)		Post employment Medical benefits (PEMB)	Provident fund
	Funded	Non Funded		
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
<b>I Expense recognised in the Statement of Profit and Loss – for the year ended December 31, 2016</b>				
1 Current Service cost	11.91	6.95	0.04	20.92
	10.71	5.76	0.03	19.54
2 Interest Cost	13.60	7.17	0.46	43.83
	14.01	6.51	0.47	38.65
3 Employee Contributions	-	-	(0.32)	-
	-	-	(0.31)	-
4 Expected return on plan assets	(14.02)	-	-	(53.89)
	(14.80)	-	-	(48.54)
5 Net Actuarial (Gains) / Losses	17.42	6.34	1.39	18.20
	4.25	3.08	0.01	20.43
6 Total expense	28.91	20.46	1.57	29.06
	14.17	15.35	0.20	30.08
<b>II Amount recognised in Balance Sheet</b>				
1 Present value of Defined Benefit Obligation	(204.21)	(106.11)	(6.53)	(630.11)
	(188.74)	(96.03)	(5.72)	(557.29)
2 Fair value of plan assets	189.95	-	-	638.59
	187.61	-	-	574.31
3 Funded status {Surplus/(Deficit)}	(14.26)	(106.11)	(6.53)	8.48
	(1.13)	(96.03)	(5.72)	17.02
4 Net asset/(liability) as at December 31, 2016*	(14.26)	(106.11)	(6.53)	8.48
	(1.13)	(96.03)	(5.72)	17.02
<b>III Present Value of Defined Benefit Obligation</b>				
1 Present value of Defined Benefit Obligation at beginning of the year	188.74	96.03	5.72	557.29
	188.36	85.42	6.26	492.22
2 Current Service cost	11.91	6.95	0.04	20.92
	10.71	5.76	0.03	19.54
3 Interest Cost	13.60	7.17	0.46	43.83
	14.01	6.51	0.47	38.65
4 Employee Contributions	-	-	(0.32)	54.75
	-	-	(0.31)	48.11
5 Actuarial (Gains) / Losses	20.71	6.34	1.39	19.50
	6.00	3.08	0.01	19.24
6 Benefits Payments	(30.55)	(10.38)	(0.76)	(14.15)
	(30.34)	(4.74)	(0.74)	(14.64)
7 Net transfer in / (out)	(0.20)	-	-	(52.03)
	-	-	-	(45.83)
8 Present value of Defined Benefit Obligation at the end of the year	204.21	106.11	6.53	630.11
	188.74	96.03	5.72	557.29

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended December 31, 2016 (contd.)

**31. EMPLOYEE BENEFITS: (contd.)**

**Defined Benefit Plans as per Actuarial valuation on December 31, 2016 (contd.)**

	Gratuity (Including additional gratuity)		Post employment Medical benefits (PEMB)	Provident fund
	Funded	Non Funded		
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
<b>IV Fair Value of Plan Assets</b>				
1 Plan assets at the beginning of the year	187.61	-	-	574.31
	177.24	-	-	520.19
2 Expected return on plan assets	14.02			53.89
	14.80	-	-	48.54
3 Contributions by Employer	16.78			20.52
	11.84	-	-	19.13
4 Contributions by Employee	-	-	-	54.75
	-	-	-	48.11
5 Actual benefits paid	(31.75)			(14.15)
	(18.02)	-	-	(14.64)
6 Net transfer in / (out)	-	-	-	(52.03)
	-	-	-	(45.83)
7 Actuarial Gains / (Losses)	3.29			1.30
	1.75	-	-	(1.19)
8 Plan assets at the end of the year	189.95	-	-	638.59
	187.61	-	-	574.31
9 Actual return on plan assets	17.31			55.19
	16.55	-	-	47.35

**V The major categories of plan assets as a percentage of total plan**

	Gratuity		Provident fund	
	2016	2015	2016	2015
	%	%	%	%
Government securities	52	50	52	50
Debentures and Bonds	27	29	48	50
Equity Shares	10	9	-	-
Fixed Deposits	11	12	-	-
	100	100	100	100

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended December 31, 2016 (contd.)

**31. EMPLOYEE BENEFITS: (contd.)**

VI Effect of One percentage point change in the assumed Medical Inflation rate	One percentage increase - ₹ Crore	One percentage decrease - ₹ Crore
Increase /(Decrease) on aggregate service and interest cost of Post Employment Medical benefits	0.03	(0.03)
	0.03	(0.03)
Increase/(Decrease) on Present value of Defined Benefit Obligation as at December 31, 2016	0.83	(0.79)
	0.56	(0.57)

**VII Actuarial Assumptions:**

**a) Financial Assumptions**

1 Discount Rate	6.60% p.a. (P.Y.- 7.80 % p.a.)
2 Expected rate of return on plan assets (Gratuity)	8.50% p.a. (P.Y.- 8.50% p.a.)
3 Expected rate of return on plan assets (Provident fund)	8.98% p.a. (P.Y.- 9.31% p.a.)
4 Salary increase rate	7% p.a. (P.Y.- 7% p.a.)

**b) Demographic Assumptions**

1 Mortality pre-retirement	Indian Assured Lives Mortality (2006-08) (Modified) Ultimate <i>Indian Assured Lives Mortality (2006-08) (Modified) Ultimate</i>
2 Mortality post-retirement	Mortality for annuitants LIC (1996-98) ultimate <i>Mortality for annuitants LIC (1996-98) ultimate</i>
3 Turnover rate	5% p.a. (P.Y. - 5% p.a.)
4 Medical premium inflation	12% p.a. for the first 4 years and thereafter 8% p.a. <i>12% p.a. for the first 4 years and thereafter 8% p.a.</i>

(Figures in italics pertain to previous year)

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

The expected return on plan assets is based on market expectation, at the beginning of the period, for returns over the entire life of the related obligation. The Gratuity Scheme is invested in Life Insurance Corporation (LIC) of India's Group Gratuity-cum-Life Assurance cash accumulation policy and HDFC Standard Life's Group Unit Linked Plan - For Defined Benefit Scheme.

The Trust formed by the Company manages the investments of provident fund plan.

**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) The Company expects to contribute ₹ 18.00 Crore (Previous year - ₹ 11.00 Crore) to Gratuity fund and ₹ 23.00 Crore (Previous year - ₹ 18.84 Crore) to trust managed provident fund in the year 2017.**

**f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.**

**g) Amounts for the current and previous four years are as follows:**

**(i) Gratuity (Funded)**

₹ Crore

	2016	2015	2014	2013	2012
Defined benefit obligation	(204.21)	(188.74)	(188.36)	(165.88)	(160.11)
Plan assets	189.95	187.61	177.24	149.80	137.12
Surplus / (deficit)	(14.26)	(1.13)	(11.12)	(16.08)	(22.99)
Experience adjustments on plan assets	(3.28)	(1.75)	(2.42)	(1.17)	(1.29)
Experience adjustments on plan liabilities	5.71	5.72	8.62	11.76	16.89

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 31. EMPLOYEE BENEFITS: (contd.)

(ii) Gratuity (Non funded) ₹ Crore

	2016	2015	2014	2013	2012
Defined benefit obligation	(106.11)	(96.03)	(85.42)	(71.18)	(65.54)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(106.11)	(96.03)	(85.42)	(71.18)	(65.54)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	(0.14)	0.26	3.17	5.05	7.33

(iii) Post Employment Medical Benefits ₹ Crore

	2016	2015	2014	2013	2012
Defined benefit obligation	(6.53)	(5.72)	(6.26)	(4.18)	(3.50)
Plan assets	-	-	-	-	-
Surplus / (deficit)	(6.53)	(5.72)	(6.26)	(4.18)	(3.50)
Experience adjustments on plan assets	N.A.	N.A.	N.A.	N.A.	N.A.
Experience adjustments on plan liabilities	0.72	(0.26)	2.25	1.33	1.38

(iv) Provident Fund ₹ Crore

	2016	2015	2014	2013	2012
Defined benefit obligation	(630.11)	(557.29)	(492.22)	(445.67)	(392.76)
Plan assets	638.59	574.31	520.19	447.55	400.31
Surplus / (deficit)*	8.48	17.02	27.97	1.88	7.55
Experience adjustments on plan assets	1.30	(1.19)	21.08	4.92	(5.15)
Experience adjustments on plan liabilities	14.50	19.75	(1.19)	(4.88)	(4.58)

\*In respect of Provident Fund, Since there is surplus the same has not been recognised in Balance Sheet, only liability recognised in Balance Sheet.

- h) Amount recognised as an expense under employee benefit expenses in the statement of Profit and Loss in respect of other benefits is ₹ 12.31 Crore (Previous Year - ₹ 22.29 Crore).
- i) Present value of compensated absences at year end is ₹ 28.03 Crore (Previous Year ₹ 38.44 Crore) after net of plan assets of ₹ 88.77 Crore (Previous year - ₹ 77.54 Crore).
- j) Present value of Long service award obligation at year end is ₹ 7.63 Crore (Previous Year ₹ 7.17 Crore). This scheme is non funded.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 32. SEGMENT REPORTING

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The Company's operations predominantly relate to manufacture of Cement and Ready Mix Concrete. The export turnover is not significant in the context of total turnover of the company and further the risk and returns are not significantly different from that of India. As such there is only one geographical segment.

#### INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>						
External sales	9,881.79	10,465.26	1,054.62	967.50	10,936.41	11,432.76
Other operating revenue	212.67	352.47	9.26	11.60	221.93	364.07
Inter-segment sales	186.47	187.34	6.31	7.34	192.78	194.68
	10,280.93	11,005.07	1,070.19	986.44	11,351.12	11,991.51
Less: Elimination	(186.47)	(187.34)	(6.31)	(7.34)	(192.78)	(194.68)
<b>Total revenue</b>	<b>10,094.46</b>	<b>10,817.73</b>	<b>1,063.88</b>	<b>979.10</b>	<b>11,158.34</b>	<b>11,796.83</b>
<b>RESULT</b>						
<b>Segment result</b>	<b>752.15</b>	<b>875.01</b>	<b>55.64</b>	<b>25.09</b>	<b>807.79</b>	<b>900.10</b>
Unallocated corporate Income net off Unallocated (expenditure)					46.67	8.72
<b>Operating Profit</b>					<b>854.46</b>	<b>908.82</b>
Finance costs					(72.87)	(67.32)
Interest and Dividend income					70.09	95.64
Exceptional items (Refer Note - 41 & 50)					(42.81)	(153.17)
Tax expenses					(206.47)	(192.40)
{net off MAT credit entitlement of ₹ 117.55 Crore (Previous year - ₹ Nil)}						
<b>Profit after tax</b>					<b>602.40</b>	<b>591.57</b>
<b>OTHER INFORMATION</b>						
Segment assets	10,487.32	10,529.47	296.73	283.31	10,784.05	10,812.78
Unallocated Corporate assets					2,653.42	2,028.04
<b>Total assets</b>					<b>13,437.47</b>	<b>12,840.82</b>
Segment liabilities	3,200.25	2,958.28	226.25	178.42	3,426.50	3,136.70
Unallocated corporate liabilities					1,349.53	1,261.08
<b>Total liabilities</b>					<b>4,776.03</b>	<b>4,397.78</b>
Capital expenditure (including capital work-in-progress and capital advances)	491.50	1,126.22	11.17	14.70	502.67	1,140.92
Depreciation and Amortization (Including exceptional item in previous year)	586.29	774.90	18.87	30.33	605.16	805.23
Other non-cash expenses	2.95	35.28	13.71	10.01	16.66	45.29

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 33. OPERATING LEASE

	2016 ₹ Crore	2015 ₹ Crore
a) Future minimum rental payables under non-cancellable operating lease		
(i) Not later than one year	33.94	24.75
(ii) Later than one year and not later than five years	70.04	94.09
(iii) Later than five years	-	1.16
b) Operating lease payment recognised in Statement of Profit and Loss amounting to ₹ 165.37 Crore ( <i>Previous Year - ₹ 173.64 Crore</i> )		
c) General description of the leasing arrangement:		
(i) Leased Assets: Grinding facility, Concrete pumps, Godowns, Transit Mixer, Flats, Office premises and other premises.		
(ii) Future lease rentals are determined on the basis of agreed terms.		
(iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.		
(iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.		

### 34. RELATED PARTY DISCLOSURE

(A) Names of the Related parties where control exists:	Nature of Relationship
1 LafargeHolcim Ltd	Ultimate Holding Company
2 Holderind Investments Ltd.	Holding Company of Holcim (India) Private Limited (upto August 11, 2016) Holding Company of Ambuja Cements Limited (w.e.f. August 12, 2016)
3 Holcim (India) Private Limited (Refer Note - 43)	Holding Company (Upto August 11, 2016)
4 Ambuja Cements Limited (Refer Note - 43)	Fellow Subsidiary upto August 11, 2016 and Holding Company (w.e.f. August 12, 2016)
5 Bulk Cement Corporation (India) Limited	Subsidiary Company
6 ACC Mineral Resources Limited	Subsidiary Company
7 Lucky Minmat Limited	Subsidiary Company
8 National Limestone Company Private Limited	Subsidiary Company
9 Singhania Minerals Private Limited	Subsidiary Company
10 OneIndia BSC Private Limited	Joint venture Company (w.e.f. August 13, 2015)
<b>(B) Others - With whom transactions have been taken place during the year</b>	
(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

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

	<b>Names of the Related parties</b>	<b>Nature of Relationship</b>
3	Aakaash Manufacturing Company Private Limited	Associate Company
4	Lafarge India Private Limited	Fellow Subsidiary (w.e.f. July 10, 2015 and Upto October 4, 2016)
5	Holcim (Malaysia) SDN BHD	Fellow Subsidiary
6	Holcim Vietnam	Fellow Subsidiary
7	Holcim Technology (Singapore) Pte Ltd	Fellow Subsidiary
8	Siam City Cement (Lanka) Ltd {Formerly known as Holcim (Lanka) Ltd}	Fellow Subsidiary (Upto August 10, 2016)
9	PT Holcim Indonesia Tbk	Fellow Subsidiary
10	Holcim Services (South Asia) Limited	Fellow Subsidiary
11	Holcim Cement (Bangladesh) Ltd	Fellow Subsidiary
12	Holcim Philippines	Fellow Subsidiary
13	Holcim Group Services Ltd	Fellow Subsidiary
14	Holcim Technology Ltd	Fellow Subsidiary
15	Holcim Trading Pte Ltd	Fellow Subsidiary
16	Lafargeholcim Energy Solutions SAS	Fellow Subsidiary
17	Holcim (Liban) S.A.L.	Fellow Subsidiary
18	Dirk India Private Limited	Fellow Subsidiary (w.e.f. August 12, 2016)
<b>(b) Key Management Personnel:</b>		
	<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
1	Mr. Harish Badami	CEO & Managing Director
2	Mr. Sunil K. Nayak	Chief Financial Officer
3	Mr. Burjor D. Nariman	Company Secretary

### (C) Transactions with Subsidiary Companies

	<b>2016</b>	<b>2015</b>
	<b>₹ Crore</b>	<b>₹ Crore</b>
<b>(i) Purchase of Fixed assets</b>	-	<b>0.25</b>
ACC Mineral Resources Limited	-	0.25
<b>(ii) Reimbursement of Expenses Paid/Payable</b>	<b>4.70</b>	<b>23.51</b>
ACC Mineral Resources Limited	0.01	0.44
Bulk Cement Corporation (India) Limited	4.69	23.07
<b>(iii) Reimbursement of Expenses Received/Receivable</b>	<b>1.17</b>	<b>0.49</b>
Bulk Cement Corporation (India) Limited	1.04	0.35
Singhania Minerals Private Limited	0.13	0.06
ACC Mineral Resources Limited	-	0.02
Lucky Minmat Limited	-	0.02
National Limestone Company Private Limited	-	0.04

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

	2016 ₹ Crore	2015 ₹ Crore
<b>(iv) Rendering of Services</b>	<b>2.35</b>	<b>2.12</b>
Bulk Cement Corporation (India) Limited	2.35	2.12
<b>(v) Receiving of Services</b>	<b>21.29</b>	<b>20.58</b>
Bulk Cement Corporation (India) Limited	21.29	20.58
<b>(vi) Interest received on Inter Corporate Deposit / Other advance</b>	<b>0.05</b>	<b>0.04</b>
Singhania Minerals Private Limited	0.01	0.01
National Limestone Company Private Limited	0.04	0.03
<b>(vii) Interest on Short Term Loan</b>	<b>3.97</b>	<b>2.67</b>
ACC Mineral Resources Limited	3.97	2.67
<b>(viii) Short Term Borrowings received</b>	<b>11.70</b>	<b>35.50</b>
ACC Mineral Resources Limited	11.70	35.50
<b>(ix) Inter Corporate Deposits Repayment Received</b>	<b>-</b>	<b>3.08</b>
Lucky Minmat Limited	-	1.31
National Limestone Company Private Limited	-	1.77
<b>(x) Inter Corporate Deposits Given</b>	<b>0.20</b>	<b>-</b>
National Limestone Company Private Limited	0.20	-
<b>(xi) Provision made for other than temporary diminution in the value of non-current Investments</b>	<b>42.81</b>	<b>15.15</b>
ACC Mineral Resources Limited	42.81	15.15
<b>(xii) Guarantee given on behalf of Subsidiary Company</b>	<b>0.04</b>	<b>-</b>
Singhania Minerals Private Limited	0.04	-
<b>(xiii) Guarantee given outstanding as at the end of the Year</b>	<b>0.16</b>	<b>0.12</b>
Singhania Minerals Private Limited	0.04	-
Lucky Minmat Limited	0.12	0.12
<b>(xiv) Investment in Equity Shares of Subsidiary Company</b>	<b>0.50</b>	<b>-</b>
Singhania Minerals Private Limited	0.50	-
<b>(xv) Inter Corporate Deposits as at the end of the Year</b>	<b>0.56</b>	<b>0.36</b>
National Limestone Company Private Limited	0.53	0.33
Singhania Minerals Private Limited	0.03	0.03



**NOTES TO THE FINANCIAL STATEMENTS** for the year ended December 31, 2016 (contd.)

	2016 ₹ Crore	2015 ₹ Crore
<b>(xvi) Outstanding balance included in Trade receivables</b>	<b>1.47</b>	<b>0.32</b>
Bulk Cement Corporation (India) Limited	1.25	0.17
Singhania Minerals Private Limited	0.22	0.09
National Limestone Company Private Limited	-	0.06
<b>(xvii) Outstanding balance included in Trade payables</b>	<b>4.16</b>	<b>1.69</b>
Bulk Cement Corporation (India) Limited	4.05	1.69
National Limestone Company Private Limited	0.11	-
<b>(xviii) Outstanding balance included in Short Term Borrowings</b>	<b>50.02</b>	<b>35.50</b>
ACC Mineral Resources Limited	50.02	35.50
<b>(xix) Interest accrued on borrowings included in Other current liabilities</b>	<b>1.70</b>	<b>2.44</b>
ACC Mineral Resources Limited	1.70	2.44

**(D) Transactions with Joint venture Company**

	2016 ₹ Crore	2015 ₹ Crore
<b>(i) Investment in Equity Shares of Joint venture</b>	-	<b>2.50</b>
OneIndia BSC Private Limited	-	2.50
<b>(ii) Receiving of Services</b>	<b>24.66</b>	-
OneIndia BSC Private Limited	24.66	-
<b>(iii) Outstanding balance included in Trade payables</b>	<b>4.97</b>	-
OneIndia BSC Private Limited	4.97	-

**(E) Transactions with Associate Companies**

	2016 ₹ Crore	2015 ₹ Crore
<b>(i) Purchase of Finished Goods</b>	<b>161.69</b>	<b>175.66</b>
Alcon Cement Company Private Limited (Refer Note - 42)	69.33	81.62
Aakaash Manufacturing Company Private Limited	92.36	94.04
<b>(ii) Purchase of Raw Materials</b>	<b>31.11</b>	<b>29.82</b>
Asian Concretes and Cements Private Limited	31.11	29.82

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

	2016 ₹ Crore	2015 ₹ Crore
<b>(iii) Sale of Unfinished Goods</b>	<b>23.17</b>	<b>30.13</b>
Alcon Cement Company Private Limited (Refer Note - 42)	23.17	30.13
<b>(iv) Sale of Finished Goods</b>	<b>19.70</b>	<b>22.91</b>
Aakaash Manufacturing Company Private Limited	19.70	22.91
<b>(v) Dividend Received</b>	<b>7.64</b>	<b>2.04</b>
Alcon Cement Company Private Limited	2.04	2.04
Aakaash Manufacturing Company Private Limited	1.10	-
Asian Concretes and Cements Private Limited	4.50	-
<b>(vi) Reimbursement of Expenses Received/Receivable</b>	<b>12.68</b>	<b>10.48</b>
Alcon Cement Company Private Limited	12.68	10.46
Aakaash Manufacturing Company Private Limited	-	0.02
<b>(vii) Reimbursement of Expenses Paid / Payable</b>	<b>5.47</b>	<b>-</b>
Alcon Cement Company Private Limited	2.70	-
Aakaash Manufacturing Company Private Limited	0.70	-
Asian Concretes and Cements Private Limited	2.07	-
<b>(viii) Rendering of Services</b>	<b>1.04</b>	<b>1.11</b>
Alcon Cement Company Private Limited	1.04	1.11
<b>(ix) Receiving of Services</b>	<b>50.36</b>	<b>60.16</b>
Asian Concretes and Cements Private Limited	50.36	60.16
<b>(x) Other recoveries (Net)</b>	<b>1.89</b>	<b>1.74</b>
Aakaash Manufacturing Company Private Limited	1.89	1.74
<b>(xi) Outstanding balance included in Trade receivables</b>	<b>9.49</b>	<b>13.99</b>
Alcon Cement Company Private Limited	6.53	10.32
Aakaash Manufacturing Company Private Limited	2.96	3.67
<b>(xii) Outstanding balance included in Trade payables</b>	<b>37.94</b>	<b>27.54</b>
Alcon Cement Company Private Limited	2.18	3.60
Asian Concretes and Cements Private Limited	14.59	9.70
Aakaash Manufacturing Company Private Limited	21.17	14.24

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### (F) Details of Transactions relating to Holding Companies / Ultimate Holding Company

	2016 ₹ Crore	2015 ₹ Crore
<b>(i) Dividend paid</b>	<b>160.64</b>	<b>283.28</b>
Holcim (India) Private Limited	159.72	281.66
Holderind Investments Limited	0.92	1.62
<b>(ii) Purchase of Raw materials</b>	<b>0.55</b>	<b>3.25</b>
Ambuja Cements Limited	0.55	3.25
<b>(iii) Purchase of Finished /Unfinished goods</b>	<b>24.75</b>	<b>55.41</b>
Ambuja Cements Limited	24.75	55.41
<b>(iv) Purchase of Stores &amp; Spares</b>	<b>0.32</b>	<b>0.26</b>
Ambuja Cements Limited	0.32	0.26
<b>(v) Sale of Finished /Unfinished Goods</b>	-	<b>4.22</b>
Ambuja Cements Limited	-	4.22
<b>(vi) Sale of Stores &amp; Spare Parts</b>	-	<b>0.56</b>
Ambuja Cements Limited	-	0.56
<b>(vii) Sale of Raw Material</b>	<b>0.72</b>	-
Ambuja Cements Limited	0.72	-
<b>(viii) Rendering of Services</b>	<b>44.15</b>	<b>38.19</b>
Ambuja Cements Limited	44.15	38.19
<b>(ix) Reimbursement of Expenses Paid / Payable</b>	<b>5.54</b>	<b>2.04</b>
Ambuja Cements Limited	5.54	2.04
<b>(x) Reimbursement of Expenses Received / Receivable</b>	<b>2.37</b>	<b>5.78</b>
Ambuja Cements Limited	1.86	5.77
LafargeHolcim Ltd	0.51	0.01
<b>(xi) Receiving of Services</b>	<b>44.55</b>	<b>29.36</b>
Ambuja Cements Limited	44.55	29.36
<b>(xii) Outstanding balance included in Trade receivables</b>	<b>5.05</b>	<b>24.49</b>
Ambuja Cement Limited	4.53	24.49
LafargeHolcim Ltd	0.52	-
<b>(xiii) Outstanding balance included in Short-term loans and advances</b>	<b>0.16</b>	<b>0.18</b>
Ambuja Cement Limited	0.16	0.18
<b>(xiv) Outstanding balance included in Trade payables</b>	<b>2.47</b>	<b>27.68</b>
Ambuja Cement Limited	2.47	27.68

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### (G) Details of Transactions relating to Fellow Subsidiary Companies

	2016 ₹ Crore	2015 ₹ Crore
<b>(i) Purchase of Raw materials and Fuel</b>	<b>203.27</b>	<b>4.18</b>
Holcim Trading Pte Ltd	-	4.18
Lafargeholcim Energy Solutions SAS	203.09	-
Others	0.18	-
<b>(ii) Purchase of Finished /Unfinished goods</b>	<b>0.72</b>	<b>4.04</b>
Lafarge India Private Limited	0.72	4.04
<b>(iii) Sale of Finished /Unfinished Goods</b>	<b>0.06</b>	<b>4.70</b>
Lafarge India Private Limited	0.06	4.70
<b>(iv) Reimbursement of Expenses Paid / Payable</b>	<b>0.11</b>	-
Holcim (Liban) S.A.L.	0.11	-
<b>(v) Reimbursement of Expenses Received / Receivable</b>	<b>0.15</b>	<b>1.29</b>
Siam City Cement (Lanka) Ltd	0.15	0.35
Holcim Technology (Singapore) Pte Ltd	-	0.53
Holcim Services (South Asia) Limited	-	0.21
PT Holcim Indonesia Tbk	-	0.10
Others	-	0.10
<b>(vi) Receiving of Services</b>	<b>53.54</b>	<b>47.17</b>
Holcim Group Services Ltd	3.00	2.19
Holcim Services (South Asia) Limited	48.19	43.96
Holcim Technology Ltd	2.35	1.02
<b>(vii) Technology and Know-how fees</b>	<b>107.98</b>	<b>112.76</b>
Holcim Technology Ltd	107.98	112.76
<b>(viii) Outstanding balance included in Trade receivables</b>	<b>0.28</b>	<b>2.94</b>
Siam City Cement (Lanka) Ltd	-	0.35
PT Holcim Indonesia Tbk	0.15	0.15
Holcim Services(South Asia) Limited	-	0.21
Holcim Cement (Bangladesh) Ltd	0.11	0.16
Holcim Philippines	0.02	0.02
Lafarge India Private Limited	-	2.05
<b>(ix) Outstanding balance included in Trade payables</b>	<b>117.32</b>	<b>35.14</b>
Holcim Group Services Ltd	0.04	0.37
Holcim Services (South Asia) Limited	12.85	7.26
Holcim Technology Ltd	23.79	26.80
Lafargeholcim Energy Solutions SAS	80.58	-
Lafarge India Private Limited	-	0.71
Others	0.06	-

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### (H) Details of Transactions with Key Management Personnel

	2016 ₹ Crore	2015 ₹ Crore
<b>(i) Remuneration*</b>	<b>10.95</b>	<b>9.46</b>
Mr. Harish Badami	7.32	5.70
Mr. Sunil K. Nayak	2.46	2.51
Mr. Burjor D. Nariman	1.17	1.25
<b>(ii) Severance cost#</b>	<b>5.27</b>	-
Mr. Harish Badami	5.27	-
<b>(iii) Outstanding balance included in Other Current Liabilities</b>	<b>8.32</b>	<b>0.38</b>
Mr. Harish Badami	8.32	0.38

\*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.

#The Board of Directors at its Meeting held on December 16, 2016 has accepted the resignation of Mr. Harish Badami w.e.f. February 04, 2017. The Board has approved the severance payment of ₹ 5.27 Crore pursuant to the authority conferred on it by the Members of the Company.

### 35. CAPITAL AND OTHER COMMITMENTS

	2016 ₹ Crore	2015 ₹ Crore
A) Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advance)	141.22	292.88

B) For commitments relating to lease arrangements {Refer note - 33(a)}

C) The Company from time to time provides need based support to subsidiaries towards capital and other requirements.

### 36. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR -

	2016 ₹ Crore	2015 ₹ Crore
a) Claims not acknowledged by the Company		
Sales tax	25.16	28.16
Customs demand	30.97	30.97
Claim by Suppliers	36.79	36.79
Claims for mining Lease rent	73.46	73.46
Others	34.08	25.62
<b>TOTAL</b>	<b>200.46</b>	<b>195.00</b>

In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgments pending at various forums / authorities.

**NOTES TO THE FINANCIAL STATEMENTS** for the year ended December 31, 2016 (contd.)

	2016 ₹ Crore	2015 ₹ Crore
b Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others (Including Guarantee given on behalf of subsidiary companies of ₹ 0.16 Crore (Previous year - ₹ 0.12 Crore))	179.82	278.73

- c) The Company had filed writ / appeal petitions against the orders / notices of various authorities demanding ₹ 114.45 Crore (Previous Year – ₹ 114.24 Crore) towards demand of additional Royalty on Limestone based on the ratio of 1.6 tonnes of Limestone to 1 tonne of Cement produced at its factories in Chattisgarh and on cement produced vis a vis consumption of limestone at its factory in Tamil Nadu. The Madhya Pradesh High Court had decided a similar matter in favour of the Company in an earlier year by directing the Authorities to only demand Royalty based on quantity of Limestone actually mined and recorded through statutory documentation, and not based on any ratio.

The Company holds the view that the payment of royalty on limestone is correctly made by the Company based on the actual quantity of limestone extracted, and feels that similar relief can also be expected from the Judiciary and / or Authorities in the cases of Chattisgarh & Tamil Nadu Units. In view of the demand being legally unjustifiable, and due to the decision of the Madhya Pradesh High Court, directly on this issue, the Company does not expect any liability in above matter .

- d) i. 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 11th December, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI has, by its order dated August 31, 2016, imposed a penalty of ₹ 1,147.59 Crore on the Company. The Company has filed an appeal against the said Order with Competition Appellate Tribunal (‘COMPAT’). Pending final disposal of the appeal, the COMPAT has stayed the penalty with a condition to deposit 10% of the penalty amount, which has been deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant. Interest amount on penalty as on December 31, 2016 is ₹ 45.90 Crore.

Based on the advice of external legal counsel, the Company believes it has good grounds for successful appeal. Accordingly, no provision is considered necessary.

- ii. In a separate matter, pursuant to a reference filed by the Government of Haryana, The Competition Commission of India issued an Order dated January 19, 2017 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 ₹ 35.32 Crore on the Company. The Company is taking steps to file an appeal against the Order with the appropriate authority. Based on the advice of external legal counsel, the Company believes it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 36. (B) MATERIAL DEMANDS AND DISPUTES CONSIDERED AS “REMOTE” BY THE COMPANY

- a) The Company had availed Sales Tax Incentives in respect of its new 1 MTPA Plant at Gagal (Gagal II) under the HP State Industrial Policy, 1991. The Company had accrued Sales Tax Incentives aggregating ₹ 56 Crore. The Sales Tax Authorities had introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production (of Gagal I) prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP High Court and confirmed by the Supreme Court while determining the eligibility for Transport Subsidy. The Department had recovered ₹ 64 Crore (Tax of ₹ 56 Crore and interest of ₹ 8 Crore) and the same is accounted as an amount recoverable.

The HP High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment is 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 before the Hon'ble Supreme Court in, which is pending .

- b) The Company was eligible for certain incentives (in the nature of One Time Lumpsum Capital Subsidy and refund of incremental VAT paid) in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the company has made claims for refund of VAT paid each financial year. However, no disbursements 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 various new conditions and restriction, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ petitions before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government.

The division bench of the Jharkhand High Court, while dealing with appeals by both the Company and the State of Government, against a single bench order only partially allowing the Companies 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. Pursuant to this order, a cumulative amount of ₹ 235 Crore was standing accrued in the books upto December, 2015.

The Government of Jharkhand had filed an Special Leave Petition in the 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.

The Company also pursued a contempt petition filed in the High Court of Jharkhand against non disbursement of amounts due by the Government. Consequently, as of date, the company received ₹ 64 Crore in part disbursement in the previous year from the Government of Jharkhand.

The Company is pursuing the matter of disbursement of further amounts outstanding.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

The Company is of the view, and also has been advised, that the merits are strongly in its favour and it expects that the Special Leave Petition shall be rejected upholding the order of the division bench of the Jharkhand HC by the Apex Court.

- c) 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 80IA of the Income Tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 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.
- d) 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 in the said plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the company to such deferment on the ground that the company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was is in the negative list. A demand of ₹ 82.37 Crore was raised. The Company filed a writ petition before High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand shall not sustain under law.
- e) 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 till December 31, 2016 (*Previous year - ₹ 106 Crore*) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted & pending before the Court for hearing on merit. The Company believes that the merits of the claim are strong.



## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

- f) Consequent upon the Supreme Court’s judgement in Goa Foundation case, restricting the “deemed renewal” provision of captive mining leases to the first renewal period, the Company had received demand from District Mining Officer for ₹ 881 Crore for being penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014. The aforesaid demands were challenged by the company and Writ Petition with High Court of Jharkhand was filed. The petition has been admitted subject to a token deposit of ₹ 48 Crore which shall be refundable in case the matter is decided in the Companies favour.

The Company is of the considered view based on legal advice, that this demand does not have merit, and shall not stand the test of judicial scrutiny, considering that the said mining, leases pending State Government’s approval, have been automatically extended upto March 31, 2030 by Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 without any recourse being made available to the State Government.

### 37. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006\*

		2016 ₹ Crore	2015 ₹ Crore
a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises (Not overdue)	7.54	4.12
	Interest due on above	-	-
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts 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 of information available with the Company.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 38. INTEREST IN JOINT VENTURE

During the previous year, the Company subscribed 25,01,000 equity shares for a total consideration of ₹ 2.50 Crore in OneIndia BSC Private Limited, which is a jointly controlled entity with an equal equity participation with Ambuja Cements Limited, with aim to provide back office services with respect to routine processes.

The Company has the following investment, in a jointly controlled entity:

Name of the entity	Country of Incorporation	Percentage of ownership interest 2016	Percentage of ownership interest 2015
OneIndia BSC Private Limited	India	50	50

The company's share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows:

	2016 ₹ Crore	2015 ₹ Crore
<b>(a) Assets</b>		
Fixed assets	0.46	-
Long-term loans and advances	2.66	1.04
Deferred Tax Asset (Net)	0.05	-
Cash and bank balances	1.33	0.84
Trade Receivable	4.03	-
Short-term loans and advances	0.90	0.24
<b>(b) Liabilities</b>		
Long term provisions	0.02	-
Trade Payable	4.20	0.65
Other current liabilities	1.31	0.06
Short-term provisions	0.82	-
<b>(c) Income</b>	20.15	-
<b>(d) Expenses</b>		
Employee benefits expenses	9.42	0.39
Depreciation and amortisation expense	0.50	-
Other expenses	8.36	0.70
<b>(e) Tax Expenses</b>	0.66	-
<b>(f) Profit/(loss) after Tax</b>	1.66	(1.09)
<b>(g) Contingent liabilities</b>	-	-
<b>(h) Capital commitments</b>	-	-

39. ACC Mineral Resources Limited. (AMRL), a wholly-owned subsidiary of the Company, through its joint-venture had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the order of the Supreme Court ruling that allocation of various coal blocks, including these, was arbitrary and illegal. The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder on March 23, 2015. Pursuant to a vesting order in this regard, possession of the coal mine was handed over to the successful bidder on April 06, 2015, with which the Company is in discussions for transfer of remaining assets. In respect of other three blocks, auctioning dates have not yet been announced.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 40. PARTICULARS OF UN HEDGED FOREIGN CURRENCY EXPOSURE AS AT BALANCE SHEET DATE

Particulars	Currency	2016			2015		
		Foreign currency in Crore	Exchange rate	₹ Crore	Foreign currency in Crore	Exchange rate	₹ Crore
Trade Payable and Other current liabilities	CHF	0.002	66.82	0.11	0.03	66.77	2.25
	USD	1.25	68.06	85.34	0.10	66.27	6.60
	GBP	0.002	84.03	0.18	0.006	98.11	0.61
	EUR	0.19	71.63	13.91	0.14	72.29	9.82

- 41.** During the year, the Company has provided ₹ 42.81 Crore in ACC Mineral Resources Limited (*Previous year - ₹ 15.15 Crore*) for diminution in the value of this investment considering the diminution other than temporary in nature. Current year provision is considered as an exceptional item.
- 42.** The Company has arrangements with an associate company whereby it sells clinker and purchase Cement manufactured out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under VAT laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ₹ 20.35 Crore (*Previous year - ₹ 26.29 Crore*) has not been recognized as a part of the Turnover but has been adjusted against cost of purchase of cement so converted.
- 43.** The Company was a subsidiary of Holcim (India) Private Limited. Pursuant to the amalgamation of Holcim (India) Private Limited into Ambuja Cements Limited, effective August 12, 2016, the Company has become a subsidiary of Ambuja Cements Limited.

### 44. DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) AND SECTION 186 (4) OF THE COMPANIES ACT 2013:

Nature of the transaction (loans given/investment made/ guarantee given/security provided)	Purpose for which the loan/ guarantee / security is proposed to be utilised by the recipient	2016 ₹ Crore	Maximum Balance during the Year ₹ Crore	2015 ₹ Crore	Maximum Balance during the Year ₹ Crore
(a) Loans and Advances to wholly owned Subsidiaries –					
Lucky Minmat Limited	Working Capital	-	-	-	1.31
National Limestone Company Private Limited	Working Capital	0.53	0.53	0.33	2.10
Singhania Minerals Private Limited	Working Capital	0.03	0.03	0.03	0.03

- (b) Details of Investments made are given in Note 11 & 14.
- (c) Guarantee given on behalf of Lucky Minmat Limited and Singhania Minerals Private Limited, wholly owned subsidiary companies, of ₹ 0.16 Crore (*Previous Year - ₹ 0.12 Crore*) for the purpose of approval of mining plan.
- (d) The loanees have not made any investments in the shares of the Company
- (e) The above loan is repayable on demand and carries rate of interest at 9% p.a.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 45. CAPITALIZATION OF EXPENDITURE:

During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	2016 ₹ Crore	2015 ₹ Crore
Opening balance	197.43	133.79
Expenditure during construction for projects:		
Employee benefits expense	25.26	30.10
Insurance	0.02	0.02
Rates and taxes	0.17	0.15
Depreciation	0.17	1.22
Miscellaneous expenses	13.75	41.00
<b>Total</b>	<b>236.80</b>	<b>206.28</b>
Less : Capitalised during the year	218.24	8.85
Balance included in capital work-in-progress	18.56	197.43

### 46. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS

	2016 ₹ Crore	2015 ₹ Crore
Raw Material	78.69	83.24
Stores and Spare Parts	40.66	32.30
Fuel	239.73	351.75
Capital Goods	43.43	71.58
	402.51	538.87

### 47. EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

	2016 ₹ Crore	2015 ₹ Crore
Technology and Know-how fees	107.98	112.76
Fees for Technical support services	4.42	8.03
Consultants' Fees	1.82	0.45
Other	7.95	3.56
	122.17	124.80

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 48. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED

	2016		2015	
	₹ Crore	%	₹ Crore	%
<b>(a) Raw Materials</b>				
Imported	43.00	2.71	61.26	3.52
Indigenous	1,544.26	97.29	1,678.52	96.48
	1,587.26	100.00	1,739.78	100.00
<b>(b) Stores and Spare Parts</b>				
Imported	48.29	12.40	42.27	11.18
Indigenous	341.30	87.60	335.72	88.82
	389.59	100.00	377.99	100.00

### 49. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

	2016 ₹ Crore	2015 ₹ Crore
Others	0.66	2.59
	0.66	2.59

- 50.** Pursuant to provisions of Schedule II of the Companies Act, 2013, becoming applicable to the Company with effect from January 1, 2015, the Company reviewed and where necessary, revised estimates of useful lives of fixed assets. Accordingly, pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, an additional charge of ₹ 153.17 Crore, being the carrying amount as of January 1, 2015 of fixed assets with no remaining useful life (as revised) as of that date, was recognized in the Statement of Profit and Loss for the year ended December 31, 2015 and disclosed as an exceptional item.

### 51. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

The aggregate amount of expenditure incurred during the year on Corporate Social Responsibility and shown in the respective heads of account is as follows: Further, no amount has been spent on construction / acquisition of an asset of the Company.

	2016 ₹ Crore	2015 ₹ Crore
Employee benefits expense (Refer Note - 25)	-	2.80
Miscellaneous expenses (Refer Note - 29)	22.27	28.36
<b>TOTAL</b>	22.27	31.16

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year 2016 is ₹ 21.47 Crore (Previous year - ₹ 27.90 Crore) i.e. 2% of average net profits for last three financial years, calculated as per section 198 of the Companies Act, 2013.

## NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)

### 52. REMITTANCES IN FOREIGN CURRENCIES -

	2016	2015
<b>On account of dividend to non-resident shareholders</b>		
<b>(a) Final Dividend</b>		
No. of shareholders	1	1
No. of Equity Shares	5,41,000	5,41,000
Amount remitted (₹ Crore)	0.32	1.03
Year to which it pertains	2015	2014
<b>(b) Interim Dividend</b>		
No. of shareholders	1	1
No. of Equity Shares	5,41,000	5,41,000
Amount remitted (₹ Crore)	0.60	0.60
Year to which it pertains	2016	2015

### 53. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

	2016	2015
On Equity Shares of ₹ 10 each		
Amount of dividend proposed (₹ Crore)	112.67	112.65
Dividend per Equity Share (₹)	6	6

**54.** The Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) would be applicable to the Company from financial year commencing on January 1, 2017. Accordingly, the financial statements have been prepared in compliance with Companies (Accounting Standards) Rules, 2006.

**55.** In the previous year, the Company had received approval from the Company Law Board under Section 2(41) of the Companies Act, 2013 permitting the Company to continue having January 1- December 31 as its Financial Year.

### 56. COMPARATIVE FIGURES

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

**For SRBC & COLLP**

Chartered Accountants  
ICAI Firm Registration No. 324982E/E300003

**HARISH BADAMI**

CEO & Managing Director  
DIN: 02298385

**N.S.SEKHSARIA**

Chairman  
DIN: 00276351

**ARUNKUMAR R GANDHI**

Director  
DIN: 00007597

**NEERAJ AKHOURY**

Director  
DIN: 07419090

per **RAVI BANSAL**

Partner  
Membership No. 49365

**SUNIL K. NAYAK**

Chief Financial Officer

**MARTIN KRIEGER**

Director  
DIN: 00077715

**SUSHIL KUMAR ROONGTA**

Director  
DIN: 00309302

**ASHWIN DANI**

Director  
DIN: 00009126

Mumbai, February 03, 2017

**BURJOR D. NARIMAN**

Company Secretary

**FARROKH K. KAVARANA**

Director  
DIN: 00027689

**VIJAY KUMAR SHARMA**

Director  
DIN: 02449088

**FALGUNI NAYAR**

Director  
DIN: 00003633