INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACC LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of ACC Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at December 31, 2017 and the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements"), which includes four joint operations of a subsidiary (consolidated on a proportionate basis with subsidiary).

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries (which includes four joint operations), associates and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at December 31, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Notes 44(A)b and 44(A)c to the consolidated financial statements which describes the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹ 1,147.59 crores for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, Competition Appellate Tribunal (COMPAT) had stayed the penalty with a condition to deposit 10% of the penalty amount, which was deposited. The Company is awaiting decision by NCLAT.

b) In a separate matter, pursuant to a reference filed by the Government of Haryana, the CCI by its order dated January 19, 2017, had imposed a penalty of ₹ 35.32 crores on the Company for alleged contravention of the provisions of the Competition Act. On Company's filing an appeal together with application for interim stay against payment of penalty, COMPAT has stayed the penalty pending hearing of the application. This matter is listed before NCLAT for hearing.

Effective May 26, 2017 COMPAT ceased to exist and appellate function under the Competition Act is now conferred to the NCLAT. Based on the advice of external legal counsel, no provision has been considered necessary by the Company in respect of these matters.

Our opinion is not modified in respect of these matters.

Other Matters

(a) We did not audit the financial statements of four subsidiaries (which includes four joint operations), whose financial statements reflect total assets of ₹ 78.61 crores as at December 31, 2017, total revenues of ₹ 10.84 crores and net cash outflows amounting to ₹ 0.36 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 9.66 crores and total comprehensive income of ₹ 9.63 crores for the year ended December 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of two associates and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries (which includes four joint operations), associates and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries (which includes four joint operations), associates and joint venture is based solely on the reports of the other auditors.

(b) The comparative financial information for the year ended December 31, 2016 and the transition date opening balance sheet as at January 1, 2016 in respect of four subsidiaries (which includes four joint operations), two associates and one joint venture included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by the predecessor auditor.

(c) The comparative financial information of the Group, associates and joint ventures for the year ended December 31, 2016 and the transition date opening balance sheet as at January 1, 2016 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated October 17, 2017 expressed an unmodified opinion. Our report is not modified in respect of this matter.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and

Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of subsidiaries (which includes four joint operations), associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on December 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on December 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and jointly venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group, associates and joint ventures incorporated in India internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures – Refer Note 44A to the consolidated Ind AS financial statements.

ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent other than ` 1.16 crores which have since been paid. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies, associate companies and joint venture companies incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 034382)

Place: Mumbai
Date: February 08, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended December 31, 2017, we have audited the internal financial controls over financial reporting of ACC Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies, two associate companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff
Partner
(Membership No. 034382)

Place: Mumbai
Date: February 08, 2018

CONSOLIDATED BALANCE SHEET as at December 31, 2017

Particulars	Note No.	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
A. ASSETS				
1) Non-current assets				
a) Property, Plant and Equipment	2	7,224.46	7,524.48	5,323.73
b) Capital work-in-progress		269.25	260.98	2,379.44
c) Goodwill on consolidation	58	15.57	15.57	15.57
d) Other Intangible assets	3	40.03	27.72	25.98
e) Intangible assets under development		-	-	16.67
f) Investments in associates and joint ventures	4	91.16	85.13	82.32
g) Financial Assets				
(i) Investments	5	3.70	32.05	17.05
(ii) Loans	6	222.59	199.58	244.79
(iii) Other financial assets	7	0.06	0.06	0.11
h) Non-current Tax Assets (Net)	8	296.95	304.72	306.53
i) Other non-current assets	9	1,027.05	838.93	1,026.51
Total Non-current assets		**9,190.82**	**9,289.22**	**9,438.70**
2) Current assets				
a) Inventories	10	1,404.78	1,224.63	1,189.43
b) Financial assets				
(i) Investments	11	-	-	3.70
(ii) Trade receivables	12	665.97	533.18	484.43
(iii) Cash and Cash Equivalents	13	2,559.66	1,809.63	1,383.30
(iv) Bank balances other than Cash and Cash Equivalents	14	168.89	167.53	33.66
(v) Loans	15	41.40	29.42	27.40
(vi) Other financial assets	16	8.88	5.05	7.78
c) Other current assets	17	792.26	323.21	229.29
		5,641.84	**4,092.65**	**3,358.99**
d) Non-current assets classified as held for sale	18	13.08	12.07	12.87
Total Current assets		**5,654.92**	**4,104.72**	**3,371.86**
TOTAL - ASSETS		**14,845.74**	**13,393.94**	**12,810.56**
B. EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	19	187.99	187.99	187.95
b) Other Equity	20	9,167.86	8,625.44	8,366.78
Equity attributable to owners of the parent		**9,355.85**	**8,813.43**	**8,554.73**
Non-controlling interest		2.88	2.78	2.65
Total Equity		**9,358.73**	**8,816.21**	**8,557.38**
Liabilities				
Non-current liabilities				
a) Provisions	21	142.79	141.36	128.21
b) Deferred tax liabilities (Net)	22	551.56	456.31	475.36
Total Non-current liabilities		**694.35**	**597.67**	**603.57**
Current liabilities				
a) Financial Liabilities				
(i) Trade payables	23	1,813.74	1,258.49	876.85
(ii) Other financial liabilities	24	721.34	835.39	939.66
b) Other current liabilities	25	1,737.97	1,415.57	1,329.35
c) Provisions	26	51.19	52.02	49.09
d) Current tax liabilities (Net)		468.42	418.59	454.66
Total Current liabilities		**4,792.66**	**3,980.06**	**3,649.61**
Total liabilities		**5,487.01**	**4,577.73**	**4,253.18**
TOTAL-EQUITY AND LIABILITIES		**14,845.74**	**13,393.94**	**12,810.56**
Significant accounting policies	1			

See accompanying notes to the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 08, 2018

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN: 00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN: 07419090

SUSHIL KUMAR ROONGTA
Director
DIN: 00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended December 31, 2017

	Particulars	Note No.	For the Year ended December 31, 2017 ` Crore	For the Year ended December 31, 2016 ` Crore
	INCOME			
1	Revenue from operations	27	14,200.72	12,523.39
2	Other Income	28	128.86	122.81
3	**TOTAL INCOME (1+2)**		**14,329.58**	**12,646.20**
4	**EXPENSES**			
	a) Cost of materials consumed	29	1,980.04	1,587.26
	b) Purchases of Stock-in-Trade	30	0.84	2.52
	c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	31	(14.90)	16.99
	d) Employee benefits expense	32	821.36	756.72
	e) Power and Fuel		2,716.94	2,159.91
	f) Freight and Forwarding expense	33	3,433.75	2,636.11
	g) Excise duty		915.59	1,533.67
	h) Finance costs	34	98.53	78.67
	i) Depreciation and amortisation expense	35	643.62	609.18
	j) Other expenses	36	2,440.80	2,357.68
			13,036.57	11,738.71
	Self consumption of cement		(6.13)	(5.96)
	TOTAL EXPENSES		**13,030.44**	**11,732.75**
5	**Profit before share of profit of associates and joint ventures, exceptional item and tax (3-4)**		**1,299.14**	**913.45**
6	Share of profit in associates and a joint ventures		10.92	10.45
7	**Profit before exceptional item and tax (5+6)**		**1,310.06**	**923.90**
8	Exceptional item	37	-	38.59
9	**Profit before tax (7-8)**		**1,310.06**	**885.31**
10	**Tax expense**			
	a) Current tax		352.65	237.66
	b) Deferred tax charge / (credit)	22	32.90	(10.77)
			385.55	**226.89**
11	**Profit for the year (9-10)**		**924.51**	**658.42**
12	**Other Comprehensive Income (OCI)**			
	(i) Items that will not be reclassified to profit and loss:			
	(a) Re-measurement gain / (loss) on defined benefit plans		3.62	(23.91)
	(b) Share of other comprehensive income of associates and joint ventures		(0.13)	-
	(ii) Income tax relating to items that will not be reclassified to profit and loss	22	(1.25)	8.28
	Other Comprehensive Income for the year, net of tax		**2.24**	**(15.63)**
13	**Total Comprehensive Income for the year (11+12)**		**926.75**	**642.79**
14	**Attributable to:**			
	Owners of the Company		924.41	658.29
	Non-controlling interests		0.10	0.13
	Profit for the year		**924.51**	**658.42**
15	**Other comprehensive income Attributable to:**			
	Owners of the Company		2.24	(15.63)
	Non-controlling interests		-	-
	Other comprehensive income		**2.24**	**(15.63)**
16	**Total comprehensive income Attributable to:**			
	Owners of the Company		926.65	642.66
	Non-controlling interests		0.10	0.13
	Total comprehensive income		**926.75**	**642.79**
17	**Earnings per equity share of ` 10 each:**	38		
	(a) Basic	`	49.23	35.06
	(b) Diluted	`	49.10	34.97
	Significant accounting policies	1		

See accompanying notes to the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 08, 2018

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

NEERAJ AKHOURY
Managing Director & CEO
DIN: 07419090

SUNIL K. NAYAK
Chief Financial Officer

RAMASWAMI KALIDAS
Company Secretary
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ARUNKUMAR R GANDHI
Director
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SUSHIL KUMAR ROONGTA
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FARROKH K. KAVARANA
Director
DIN: 00027689

MARTIN KRIEGNER
Director
DIN: 00077715

ASHWIN DANI
Director
DIN: 00009126

FALGUNI NAYAR
Director
DIN: 00003633

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended December 31, 2017

A. Equity Share Capital

	` Crore
At January 01, 2016	187.95
Issue of equity shares	0.04
At December 31, 2016	187.99
Issue of equity shares	-
At December 31, 2017	**187.99**

B. Other Equity

For the year ended December 31, 2017 **` Crore**

	Reserves and surplus (Refer Note - 20)			Items of Other Comprehensive Income (OCI)	Total Attributable to Owners of the Company	Attributable to Non-controlling interest	Total other equity
	Securities premium Reserve	General Reserve	Retained earnings	Re-measurement gain / (loss) on defined benefit plans			
As at January 01, 2017	845.03	2,796.78	4,999.26	(15.63)	8,625.44	2.78	8,628.22
Profit for the year	-	-	924.41	-	924.41	0.10	924.51
Other Comprehensive Income for the year, net of tax	-	-	-	2.24	2.24	-	2.24
Total comprehensive income for the year			5,923.67	(13.39)	9,552.09	2.88	9,554.97
Interim dividend paid	-	-	(206.57)	-	(206.57)	-	(206.57)
Final dividend paid	-	-	(112.67)	-	(112.67)	-	(112.67)
Dividend distribution tax on dividend	-	-	(64.99)	-	(64.99)	-	(64.99)
As at December 31, 2017	**845.03**	**2,796.78**	**5,539.44**	**(13.39)**	**9,167.86**	**2.88**	**9,170.74**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended December 31, 2017 (Contd.)

B. Other Equity (Contd.)

For the year ended December 31, 2016

` Crore

	Reserves and surplus (Refer Note - 20)			Items of Other Comprehensive Income (OCI)	Total Attributable to Owners of the Company	Attributable to Non-controlling interest	Total other equity
	Securities premium Reserve	General Reserve	Retained earnings	Re-measurement gain / (loss) on defined benefit plans			
As at January 01, 2016	844.84	2,766.78	4,755.16	-	8,366.78	2.65	8,369.43
Profit for the year	-	-	658.29	-	658.29	0.13	658.42
Other Comprehensive Income for the year, net of tax	-	-	-	(15.63)	(15.63)	-	(15.63)
Total comprehensive income for the year			5,413.45	(15.63)	9,009.44	2.78	9,012.22
Interim dividend paid	-	-	(206.57)	-	(206.57)	-	(206.57)
Final dividend paid	-	-	(112.65)	-	(112.65)	-	(112.65)
Dividend distribution tax on dividend	-	-	(64.97)	-	(64.97)	-	(64.97)
Transfer from retained earnings	-	30.00	(30.00)	-	-	-	-
Premium on equity shares issued out of held in abeyance	0.19	-	-	-	0.19	-	0.19
As at December 31, 2016	**845.03**	**2,796.78**	**4,999.26**	**(15.63)**	**8,625.44**	**2.78**	**8,628.22**

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 08, 2018

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

NEERAJ AKHOURY
Managing Director & CEO
DIN: 07419090

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MARTIN KRIEGNER
Director
DIN: 00077715

ASHWIN DANI
Director
DIN: 00009126

FALGUNI NAYAR
Director
DIN: 00003633

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended December 31, 2017

Particulars	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
A. Cash flow from operating activities		
Profit before Tax	1,310.06	885.31
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	643.62	609.18
Loss / (Profit) on sale / write off of Property, Plant & Equipment (net)	2.93	(20.46)
Gain on sale of non-current financial assets measured at FVTPL	(10.32)	-
Gain on sale of current financial assets measured at FVTPL	(25.75)	(23.25)
Interest income	(91.87)	(65.59)
Finance costs	98.53	78.67
Provision for doubtful debts and advances (Net)	(2.80)	48.83
Bad debts written off (Net of provision)	-	0.51
Provision for slow and non moving Stores and Spare parts	(6.39)	12.69
Provision no longer required written back (including write back of royalty on minerals)	(45.49)	(23.68)
Net gain on fair valuation of current financial assets measured at FVTPL	(0.92)	(12.49)
Amortisation of operating lease rental	3.72	3.72
Share of profit in associates and joint ventures	(10.92)	(10.45)
Unrealised exchange gain (net)	(0.12)	(2.80)
Operating profit before working capital changes	1,864.28	1,480.19
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Decrease / (Increase) in Trade receivable, loans and advances and other assets	(779.48)	(69.66)
Decrease / (Increase) in Inventories	(173.76)	(47.89)
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in Trade payables, Other liabilities and Provisions	862.50	300.59
Cash generated from operations	1,773.54	1,663.23
Direct tax paid - (Net of refunds)	(219.09)	(273.69)
Net Cash flow from operating activities	**1,554.45**	**1,389.54**

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended December 31, 2017 (contd.)

Particulars	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
B. Cash flow from investing activities		
Loans to Joint Venture	(0.12)	(0.21)
Payment received against loan given to Joint Venture	4.18	5.26
Purchase of Property, Plant & Equipments (Including Capital work-in-progress and Capital Advances)	(534.90)	(522.15)
Proceeds from sale of Property, Plant & Equipments	14.47	21.33
Proceeds from sale of non current investments in Shiva cement Ltd.	38.67	-
Net proceeds from current investments	25.75	23.25
Redemption of bank deposits (having original maturity for more than 3 months)	-	0.05
Investment in bank deposits (having original maturity for more than 3 months)	(2.05)	(134.97)
Dividend received from Associates	4.75	7.64
Interest received	69.69	65.28
Net cash used in investing activities	**(379.56)**	**(534.52)**
C. Cash flow from financing activities		
Proceeds from Issue of equity shares (including Securities premium)	-	0.23
Interest paid	(41.55)	(45.92)
Dividend paid	(319.24)	(319.21)
Dividend Distribution Tax paid	(64.99)	(64.98)
Net cash used in financing activities	**(425.78)**	**(429.88)**
Net increase in cash and cash equivalents	**749.11**	**425.15**
Cash and cash equivalents at the beginning of the year (Refer note - 13)	1,809.63	1,383.30
Cash and cash equivalents at the end (Refer note - 13)	**2,559.66**	**1,809.63**
Adjustment for gain on fair valuation of current financial assets measured at FVTPL	(0.92)	(1.19)
	2,558.74	**1,808.44**

See accompanying notes to the financial statements

Note : 1 Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 on Cash Flow Statements.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
ICAI Firm Registration No. 117366W/W-100018

B P SHROFF
Partner
Membership No. 034382

Mumbai, February 08, 2018

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

MARTIN KRIEGNER
Director
DIN: 00077715

NEERAJ AKHOURY
Managing Director & CEO
DIN: 07419090

SUSHIL KUMAR ROONGTA
Director
DIN: 00309302

ASHWIN DANI
Director
DIN: 00009126

SUNIL K. NAYAK
Chief Financial Officer

FARROKH K. KAVARANA
Director
DIN: 00027689

FALGUNI NAYAR
Director
DIN: 00003633

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

Company Overview and Significant Accounting Policies:

Corporate Information

ACC Limited ("the Company / Parent"), is a public company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India. The registered office of the Company is located at Cement House, 121 Maharshi Karve Road, Mumbai – 400020 India.

The consolidated financial statements comprise the financial statements of ACC Limited ("the Company") and its subsidiaries (collectively, the Group).

The Group is principally engaged in the business of manufacturing and selling of Cement and Ready mix concrete. The Company has manufacturing facilities across India and caters mainly to the domestic market.

Information on the Group's structure is provided in Note – 39. Information on other related party relationship of the Group is provided in Note - 45.

1. Significant Accounting Policies

i. Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including for the year ended December 31, 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP'). These are the Group's first financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is January 01, 2016 (hereinafter referred to as the 'transition date').

The consolidated financial statements for the year ended December 31, 2016 and the Consolidated opening Balance Sheet as at January 01, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Comprehensive Income) and Consolidated Statement of Cash Flows are provided in Note - 55.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on February 08, 2018.

ii. Basis of Preparation

The Consolidated financial statements comprises the financial statements of ACC Limited ("the Company / Parent") and its subsidiaries (collectively, the Group) for the year ended December 31, 2017 and consolidated opening Ind AS Consolidated Balance sheet as at the transition date.

These consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the Balance Sheet:

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

b) Non-current assets classified as held for sale are measured at lower of its carrying amount and fair value less cost to sell

c) Employees Defined benefit plans are recognised at the net total of the fair value of plan assets, and the present value of the defined benefit obligation as per actuarial valuation; and

d) Investments in associates and joint ventures which are accounted for using the equity method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

i. Level 1 — inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

ii. Level 2 —inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

iii. Level 3 — inputs that are unobservable for the asset or liability

iii. Functional and Presentation Currency

These Consolidated financial statements are presented in Indian Rupees (`) which is the functional currency of the Group.

All financial information presented in Indian rupees has been rounded to the nearest Crore, except otherwise indicated.

iv. Basis of Consolidation

a) The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

ii. Exposure, or rights, to variable returns from its involvement with the investee, and

iii. The ability to use its power over the investee to affect its returns

b) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

c) When the Group has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. a contractual arrangement with the other vote holders of the investee

ii. rights arising from other contractual arrangements

iii. the Group's voting rights and potential voting rights

iv. the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

v. any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

d) Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

e) The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of parent company i.e. December 31, 2017.

f) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

g) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

h) Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

i) When the Group loses control over a subsidiary, it:

i. Derecognises the assets (including goodwill) and liabilities of the subsidiary

ii. Derecognises the carrying amount of any non-controlling interests

iii. Recognises the fair value of the consideration received

iv. Recognises the fair value of any investment retained when control is lost. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

v. Recognise any resulting difference as a gain or loss in the Consolidated Statement of profit and loss attributable to the parent.

vi. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

j) Consolidation procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (Refer policy on business combinations for accounting for any related goodwill).

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Deferred tax effects are given for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions as per Ind AS 12 'Income Taxes'.

v. **Interests in associates and Joint arrangements**

a) **Interests in Associate**

An Associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Significant influence is generally presumed to exist when the Group holds 20% or more of the voting power of an investee. Investments in associates are accounted for using equity method of accounting (Refer point c below), after initially being recognised at cost.

b) **Joint Arrangement**

Interests in joint arrangements are interests over which the Group exercises joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations arising from the agreement rather than the legal structure of the joint arrangement.

i. **Interests in Joint operation**

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

The Group account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues and expenses.

ii. **Interests in Joint ventures**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Interests in joint ventures are accounted for using the equity method of accounting (Refer point c below), after initially being recognised at cost.

c) **Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated statement of changes in equity. Unrealised gains resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The Group resumes recognising its share of profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The carrying amounts of equity accounted investments are tested for impairment in accordance with the accounting policy on impairment of non-financial assets.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of investment in associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in Consolidated Statement of Profit and Loss.

If the Group's ownership interest in a joint venture or an associate is reduced, but joint control or significant influence is retained, the Group reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the assets or liabilities.

vi. Business Combination and Goodwill

<u>Acquisition method</u>

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in consolidated Statement of Profit and Loss as incurred.

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

a) deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;

b) liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 'Share-based Payments' at the acquisition date; and

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 'Financial Instruments', is measured at fair value with changes in fair value recognised in statement of profit and loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

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

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

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Bargain purchase

If the difference of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the business combination is regarded as bargain purchase.

In case of bargain purchase, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If such evidence exists, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Measurement period adjustments

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

Business combination among entities under common control

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

vii. Non-controlling interests (“NCI”)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

viii. Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

These estimates are reviewed at each Balance sheet date and adjusted to reflect the current best estimate.

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

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognize a contingent asset (if any) but disclose in the Consolidated financial statements.

ix. Classification of Current/Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

<u>Assets:</u>

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

<u>Liabilities:</u>

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non current classification of assets and liabilities.

x. Property, plant and equipment

Recognition and measurement

a) Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any (except freehold non-mining land which is carried at cost less impairment losses if any).

Cost comprises the purchase price, including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use, including relevant borrowing costs.

The present value of the expected cost for the decommissioning of an asset after its use, is included in the cost of the respective asset if the recognition criteria for a provision are met.

b) Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

c) When a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

d) Spares which meet the definition of property, plant and equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalized on such date.

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

f) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

g) The Group has elected to continue with the carrying value of all its property, plant and equipment as recognised in the consolidated financial statements as at transition date to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Depreciation and Amortisation

a) Leasehold non-mining land held under finance lease is amortised over the period of lease on a straight line basis.

b) Cost of mineral reserve embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. Freehold non-mining land is not depreciated.

c) Depreciation on property, plant and equipment, other than plant and equipment assets related to Captive Power Plant (CPP assets), is provided using the straight line method and on CPP assets using the written down value method based on their respective estimated useful lives.

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

Estimated useful lives of assets are determined based on technical parameters / assessment, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

The estimated useful lives are as follows:

Assets	Useful Life
Buildings	3-60 years
Plant and Equipment	8-30 years
Railway sidings	8-15 years
Furniture & Fixtures and Office equipment	3-10 years
Vehicles	6-8 years

The useful life as estimated above is aligned to the prescribed useful life specified under Schedule II to the Companies Act, 2013 except useful life for computing depreciation is different in the following case:

Particulars	Useful Life estimated by the management	Useful Life as per Schedule II
Plant and Equipment related to Captive Power Plant	20 years	40 years

d) Depreciation on additions to property, plant and equipment is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

e) Depreciation on an item of property, plant and equipment sold, discarded, demolished or scrapped, is provided upto the date on which such item of property, plant and equipment is sold, discarded, demolished or scrapped.

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

g) The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

xi. Intangible assets

Recognition and Measurement:

a) Mining rights and computer software acquired is measured on initial recognition at cost. Cost comprises the purchase price (net of taxes credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

b) Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the such item of intangible asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

c) The Group has elected to continue with the carrying value of all its intangible assets as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Amortisation

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

Intangible assets	Useful life	Amortisation method used
Computer software	Finite (3 years)	Amortised on a straight-line basis over the useful life
Mining Rights		Over the period of the respective mining agreement

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

xii. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or which are not yet available for use, an impairment test is performed as at each Balance Sheet date (irrespective of impairment indicator) and whenever there is an indication that the asset may be impaired.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit (CGU) is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets.

The future cash flows are derived from the detailed budgets and forecast for the next three years, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

xiii. Inventories

Inventories are valued after providing for obsolescence, as follows:

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

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

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

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

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

xiv. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

The Group's financial assets comprise the following:

i. Current financial assets mainly consisting of (a) trade receivables, (b) mutual funds, (c) cash and bank balances, (d) investment in certificates of deposit, (e) fixed deposits with bank and financial institutions and (f) other short-term receivables and deposits.

ii. Non-current financial assets mainly consisting of (a) financial investments – equity, bond and fixed deposits, (b) other long-term receivables and deposits.

Initial recognition and measurement

The Group recognised a financial asset in its Consolidated Balance Sheet when it becomes party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement of financial assets

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

i. Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The Group does not own any financial asset classified at fair value though other comprehensive income.

iii. Financial assets at fair value through profit or loss (FVTPL)

Debt instrument at FVTPL

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item of Consolidated Statement of Profit and Loss.

Equity instruments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured at FVTPL with all changes in fair value recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend earned on the equity instruments and is included in the 'other income' line item of the Consolidated Statement of Profit and Loss.

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

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

The Group has not designated investment in any equity instruments FVTOCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

Derecognition of financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's financial statements) when:

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

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

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

On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Consolidated Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, bond and

b) trade receivables.

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

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

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (EIR).

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss. This amount is reflected in a separate line in the Consolidated Statement of Profit and Loss as an impairment gain or loss.

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

b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

Financial liabilities

The Group's current financial liabilities mainly comprise (a) Borrowings, (b) trade payables, (c) liability for capital expenditure, (d) security deposit and (e) other payables

Initial recognition and measurement

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

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

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

Subsequent measurement

Financial liabilities at amortised cost

This is the category most relevant to the Group. All the financial liabilities of the Group are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

The Group does not owe any financial liability which is either classified or designated at fair value though profit or loss.

Derecognition of financial liabilities

A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Consolidated Statement of Profit and Loss) when, and only when, the obligation under the liability is discharged or cancelled or expires.

An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Consolidated Statement of Profit and Loss does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 "financial instruments" to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Consolidated Statement of Profit and Loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to realise the assets and settle the liabilities simultaneously on a net basis.

xv. Effective interest method

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

xvi. Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The estimated future costs for known restoration requirements are determined on a site-by-site basis and are calculated based on the present value of estimated future cash out flows.

The site restoration provision before exploitation of the raw materials has commenced is included in property, plant and equipment and depreciated over the life of the related asset.

Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to or deducted from the cost of the related asset to the extent that they relate to the asset's installation, construction or acquisition.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through Consolidated Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Consolidated Statements of Profit and Loss.

xvii. Foreign Currency Transactions / Translations

These financial statements are presented in Indian Rupees (`).

Transactions in currencies other than Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction.

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

xviii. Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable, net of returns, rebates and other similar allowances as applicable. The Group collects sales tax and value added tax (VAT) and Goods and service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Rendering of services

Revenue from services is recognised with reference to the stage of completion of a contract when outcome can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

Interest income and royalties

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividends

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

xix. Retirement and other employee benefits

a) Short term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plans:

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

c) Defined Benefit Plans:

The Group's gratuity scheme, additional gratuity scheme and post-employment benefit scheme are considered as defined benefit plans. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method as at the Balance Sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate with reference to the market yield on government bonds at the end of reporting period.

Defined benefit costs are categorised as follows:

i. The current service cost of the defined benefit plans, recognised in the Consolidated Statement of Profit and Loss in employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs, which comprise plan amendments and curtailments, as well as gains or losses on the settlement of pension benefits are recognised immediately in the Consolidated Statement of Profit and Loss when they occur.

ii. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Finance cost in the Consolidated Statement of Profit and Loss.

iii. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Consolidated Statement of Profit and Loss in subsequent periods.

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. Periodic contributions to the Fund are charged to the Consolidated Statement of Profit and Loss. The Group has an obligation to make good the shortfall, if any, between the return from the investment of the trust and interest rate notified by the Government of India. Such shortfall is recognised in the Consolidated Statement of Profit and Loss. The Group's liability is determined on the basis of an actuarial valuation using the projected unit credit method.

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

e) Other long-term benefits:

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The Group's liability is determined on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Re-measurements are immediately recognised in the Consolidated Statement of Profit and Loss.

f) Termination benefits:

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

i. when the Group can no longer withdraw the offer of those benefits; and

ii. when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

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

g) Presentation and disclosure:

For the purpose of presentation of Defined benefit plans, the allocation between the current and non-current provisions has been made as determined by an actuary. The Group presents the entire compensated absences as short term provisions, since employee has an unconditional right to avail the leave at any time during the year.

xx. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

xxi. Borrowing Costs

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

xxii. Taxation

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

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 including the relevant Transfer Pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income tax levied by the same taxation authority.

Minimum alternate tax

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

xxiii. Leases

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

Group as a lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

In respect of assets obtained on finance leases, assets are recognised at lower of the fair value at the date of acquisition and present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Group as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases and included in property, plant and equipment. Lease income is recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases. Costs, including depreciation, are recognised as an expense in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. incurred by the Group in negotiating and arranging an operating lease shall be

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

xxiv. Segment Reporting

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The board of directors of the Group has appointed Executive Committee (ExCo) which has been identified as being the CODM. The ExCo assesses the financial performance and position of the Group and makes strategic decisions.

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers

Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

Segment Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

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

xxv. Cash and Cash equivalents

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

xxvi. Government Grants and Subsidies

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

b) Where the government grant / subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

c) Where the grant or subsidy relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

xxvii. Earnings Per Share

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

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

xxviii. Use of Estimates and Judgements

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarized below:

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates;

Defined benefit plans

The liabilities and costs for defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty;

Recognition of deferred tax assets

The recognition of deferred tax assets requires assessment of whether it is probable that sufficient future taxable profit will be available against which the deferred tax assets can be utilized;

Measurement of site restoration provisions

The measurement of site restoration provisions requires long-term assumptions regarding the phasing of the restoration work to be carried out and the appropriate discount rate to be used;

Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Group is exposed are assessed by management and in certain cases with the support of external specialized lawyers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurement of financial instruments

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Useful lives of property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Impairment of investments in joint- ventures and associates

Determining whether the investments in joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the management has anticipated the capacity utilization of plants, operating margins, mineable resources and availability of infrastructure of mines, and other factors of the underlying businesses / operations of the companies. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of investments.

xxix. Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from January 01, 2018.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance for the measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. However, this amendment is not applicable to the Group.

2. PROPERTY, PLANT AND EQUIPMENT

` Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Depreciation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2017	As at December 31, 2016
Tangible Assets :										
Freehold Non Mining Land	130.61	-	-	130.61	-	-	-	-	130.61	130.61
Freehold Mining Land	303.33	2.44	0.96	304.81	0.24	0.27	-	0.51	304.30	303.09
Leasehold Land	36.38	2.87	-	39.25	0.28	0.51	-	0.79	38.46	36.10
Buildings	1,580.62	35.77	1.13	1,615.26	65.23	77.91	0.28	142.86	1,472.40	1,515.39
Plant and Equipment	5,762.49	252.46	22.60	5,992.35	498.17	514.24	4.69	1,007.72	4,984.63	5,264.32
Railway Sidings	196.21	50.34	0.07	246.48	14.29	20.06	0.01	34.34	212.14	181.92
Furniture and Fixtures	23.42	2.58	0.39	25.61	4.70	4.52	0.12	9.10	16.51	18.72
Vehicles	50.63	7.01	0.55	57.09	8.72	9.29	0.25	17.76	39.33	41.91
Office equipment	46.40	7.30	0.45	53.25	13.98	13.56	0.37	27.17	26.08	32.42
TOTAL	**8,130.09**	**360.77**	**26.15**	**8,464.71**	**605.61**	**640.36**	**5.72**	**1,240.25**	**7,224.46**	**7,524.48**

` Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2016	Additions	Disposals	As at December 31, 2016	As at January 01, 2016	Depreciation charge for the year	Disposals	As at December 31, 2016	As at December 31, 2016	As at January 01, 2016
Tangible Assets :										
Freehold Non Mining Land	123.69	6.92	-	130.61	-	-	-	-	130.61	123.69
Freehold Mining Land	296.85	6.48	-	303.33	-	0.24	-	0.24	303.09	296.85
Leasehold Land	14.32	23.35	1.29	36.38	-	0.29	0.01	0.28	36.10	14.32
Buildings	932.02	648.84	0.24	1,580.62	-	65.24	0.01	65.23	1,515.39	932.02
Plant and Equipment	3,763.42	2,004.46	5.39	5,762.49	-	498.55	0.38	498.17	5,264.32	3,763.42
Railway Sidings	109.03	87.18	-	196.21	-	14.29	-	14.29	181.92	109.03
Furniture and Fixtures	19.67	3.94	0.19	23.42	-	4.71	0.01	4.70	18.72	19.67
Vehicles	33.78	17.00	0.15	50.63	-	8.78	0.06	8.72	41.91	33.78
Office equipment	30.95	15.51	0.06	46.40	-	14.00	0.02	13.98	32.42	30.95
TOTAL	**5,323.73**	**2,813.68**	**7.32**	**8,130.09**	**-**	**606.10**	**0.49**	**605.61**	**7,524.48**	**5,323.73**

Notes:-

(i) Buildings include cost of shares ` 4,120 *(December 31, 2016 - ` 4,120, January 01, 2016 - ` 4,960)* in various Co-operative Housing Societies, in respect of 8 *(December 31, 2016 - 8, January 01, 2016 - 10)* residential flats.

(ii) Depreciation charge for the year include ` Nil *(Previous year - ` 0.17 Crore)* capitalised as pre-operative expenses.

(iii) Major additions in tangible assets in the year 2016 is relate 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

3. OTHER INTANGIBLE ASSETS

` Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Amortisation charge for the year	Disposals	As at December 31, 2017	As at December 31, 2017	As at December 31, 2016
Intangible Assets :										
Computer Software	3.99	0.35	1.56	2.78	0.36	0.79	-	1.15	1.63	3.63
Mining Rights	26.98	16.78	-	43.76	2.89	2.47	-	5.36	38.40	24.09
TOTAL	**30.97**	**17.13**	**1.56**	**46.54**	**3.25**	**3.26**	**-**	**6.51**	**40.03**	**27.72**

` Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2016	Additions	Disposals	As at December 31, 2016	As at January 01, 2016	Amortisation charge for the year	Disposals	As at December 31, 2016	As at December 31, 2016	As at January 01, 2016
Intangible Assets :										
Computer Software	0.25	3.74	-	3.99	-	0.36	-	0.36	3.63	0.25
Mining Rights	25.73	1.25	-	26.98	-	2.89	-	2.89	24.09	25.73
TOTAL	**25.98**	**4.99**	**-**	**30.97**	**-**	**3.25**	**-**	**3.25**	**27.72**	**25.98**

Following statement explains the transition of Property, Plant and Equipment and Other Intangible assets from Previous GAAP to Ind AS as at transition date.

` Crore

Particulars	Previous GAAP			Ind AS adjustments {Refer Note - 55 (ii)}	Deemed Cost
	Gross Block	Accumulated Depreciation	Net Block considered as Deemed Cost		
Tangible Assets					
Freehold Non-Mining Land	92.69	-	92.69	31.00	123.69
Freehold Mining Land	299.09	2.24	296.85	-	296.85
Leasehold Land	86.06	46.01	40.05	(25.73)	14.32
Buildings	1,467.49	538.93	928.56	3.46	932.02
Plant and Equipment	9,060.09	5,296.67	3,763.42	-	3,763.42
Railway Sidings	181.67	72.64	109.03	-	109.03
Furniture and Fixtures	46.15	26.48	19.67	-	19.67
Vehicles	61.97	28.19	33.78	-	33.78
Office equipment	133.41	102.46	30.95	-	30.95
TOTAL	**11,428.62**	**6,113.62**	**5,315.00**	**8.73**	**5,323.73**

` Crore

Particulars	Previous GAAP			Ind AS adjustments {Refer Note - 55 (ii)}	Deemed Cost
	Gross Block	Accumulated Depreciation	Net Block considered as Deemed Cost		
Other Intangible Assets					
Computer Software	59.14	58.89	0.25	-	0.25
Mining Rights	-	-	-	25.73	25.73
TOTAL	**59.14**	**58.89**	**0.25**	**25.73**	**25.98**

Note

The Group has elected to continue with the carrying value of all its Property, Plant and Equipment and other intangible assets as recognized in the Consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

4. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD (measured at cost)

	As at December 31, 2017		As at December 31, 2016		As at January 01, 2016	
	Numbers	` Crore	Numbers	` Crore	Numbers	` Crore
Investments in Unquoted equity instruments						
Investment in Associates						
Face value ` 10 each						
Alcon Cement Company Private Limited	4,08,001	13.76	4,08,001	16.31	4,08,001	17.47
Asian Concretes and Cements Private Limited	81,00,000	61.14	81,00,000	53.72	81,00,000	53.05
		74.90		**70.03**		**70.52**
Investment in Joint Ventures						
Face value ` 10 each						
OneIndia BSC Private Limited	25,01,000	4.23	25,01,000	3.07	25,01,000	1.41
Aakaash Manufacturing Company Private Limited	4,401	12.03	4,401	12.03	4,401	10.39
		16.26		**15.10**		**11.80**
TOTAL		**91.16**		**85.13**		**82.32**
Aggregate amount of unquoted Investments		91.16		85.13		82.32

5. NON-CURRENT INVESTMENTS

	As at December 31, 2017		As at December 31, 2016		As at January 01, 2016	
	Numbers	` Crore	Numbers	` Crore	Numbers	` Crore
Investment at fair value through profit or loss (FVTPL)						
Investment in equity instruments (fully paid)						
(i) Quoted						
Face value ` 2 each						
Shiva Cement Limited	2,36,50,000	28.35	2,36,50,000	28.35	2,36,50,000	17.05
Less: Sold during the year	2,36,50,000	28.35		-		-
		-		**28.35**		**17.05**
(ii) Unquoted*						
Face value ` 10 each						
Kanoria Sugar & General Mfg. Company Limited	4	-	4	-	4	-
Gujarat Composites Limited	60	-	60	-	60	-
Rohtas Industries Limited	220	-	220	-	220	-
The Jaipur Udyog Limited	120	-	120	-	120	-
Digvijay Finlease Limited	90	-	90	-	90	-
The Travancore Cement Company Limited	100	-	100	-	100	-
Ashoka Cement Limited	50	-	50	-	50	-
Face value ` 5 each						
The Sone Valley Portland Cement Company Limited	100	-	100	-	100	-
		-		**-**		**-**

5. NON-CURRENT INVESTMENTS (Contd.)

	As at December 31, 2017		As at December 31, 2016		As at January 01, 2016	
	Numbers	` Crore	Numbers	` Crore	Numbers	` Crore
Investment at amortized cost						
Investment in Unquoted bonds						
Face value ` 1,000,000 each						
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70	37	3.70
Less: Current portion of non-current investments {included under the head "Current investments" - (Refer note - 11)}		-		-	37	3.70
		3.70		3.70		-
TOTAL		**3.70**		**32.05**		**17.05**
Notes						
(I) Aggregate amount of quoted investments and market value		-		28.35		17.05
(II) Aggregate value of unquoted investments		3.70		3.70		-
(III) * Each of such investments is carried at value less than ` 50,000						

6. NON-CURRENT LOANS

Unsecured, Considered Good, unless otherwise stated

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Security deposits	205.45	171.47	191.85
Loans and advances			
Unsecured, considered good	3.91	13.61	37.93
Considered doubtful	24.91	19.27	-
Less: Allowance for doubtful advances	(24.91)	(19.27)	-
	3.91	13.61	37.93
Loans to Employees	13.23	14.50	15.01
TOTAL	**222.59**	**199.58**	**244.79**

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

7. OTHER NON-CURRENT FINANCIAL ASSETS

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Bank deposits with more than 12 months maturity	0.06	0.06	0.11
TOTAL	**0.06**	**0.06**	**0.11**

8. NON-CURRENT TAX ASSETS (NET)

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Advance tax (Net of provision for tax)	296.95	304.72	306.53
TOTAL	**296.95**	**304.72**	**306.53**

9. OTHER NON-CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Incentives under Government schemes and other receivables			
Unsecured, considered good	556.78	482.99	465.82
Considered doubtful	4.38	4.60	6.39
Less: Allowance for doubtful receivables	(4.38)	(4.60)	(6.39)
	556.78	**482.99**	**465.82**
Deposits with Government Bodies and Others			
Unsecured, considered good	252.36	251.80	250.23
Considered doubtful	3.33	8.33	9.78
Less: Allowance for doubtful deposits	(3.33)	(8.33)	(9.78)
	252.36	**251.80**	**250.23**
Lease prepayment	2.78	6.49	10.21
Capital Advances	215.13	97.65	300.25
TOTAL	**1,027.05**	**838.93**	**1,026.51**

10. INVENTORIES

At lower of cost and net realizable value

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Raw Materials	153.96	131.07	132.01
{Including goods-in-transit ` 10.85 Crore *(December 31, 2016 - ` 2.87 Crore, January 01, 2016 - ` 3.83 Crore)*}			
Work-in-progress	230.87	238.74	241.20
Finished goods	161.62	139.00	152.90
Stock-in-trade	0.17	0.02	0.65
Stores & spare parts	383.69	301.93	266.31
{Including goods-in-transit ` 16.19 Crore *(December 31, 2016 - ` 9.27 Crore, January 01, 2016 - ` 7.08 Crore)*}			
Packing Materials	25.79	19.08	18.24
Fuels	448.68	394.79	378.12
{Including goods-in-transit ` 51.78 Crore *(December 31, 2016 - ` 22.10 Crore, January 01, 2016 - ` 6.43 Crore)*}			
TOTAL	**1,404.78**	**1,224.63**	**1,189.43**

The Group follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. The reversal of write-down of inventories of ` 6.39 Crore in the current year is consequent to consumption of inventories which were earlier written down *(Previous year - charge of ` 12.69 Crore)*

11. CURRENT INVESTMENTS

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Investment at amortized cost			
Investment in Unquoted Bonds			
Face value ` 10,00,000 each			
5.13% Himachal Pradesh Infrastructure Development Board Bonds *[December 31, 2016 - 37 numbers, January 01, 2016 - 37 numbers)*	-	3.70	3.70
Less: Transferred to non-current investments (included under the head "Non-current investments" - (Refer note - 5)	-	(3.70)	-
TOTAL	**-**	**-**	**3.70**
Aggregate value of unquoted investments	-	-	3.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

12. TRADE RECEIVABLES (Refer note - 53)

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Secured, considered good	85.38	55.78	77.88
Unsecured, considered good	580.59	477.40	406.55
Considered doubtful	29.03	36.98	34.86
	695.00	**570.16**	**519.29**
Less : Allowance for doubtful receivable	(29.03)	(36.98)	(34.86)
TOTAL	**665.97**	**533.18**	**484.43**

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

13. CASH AND CASH EQUIVALENTS

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Balances with banks:			
- In current accounts	210.51	59.35	58.96
- Deposits with original maturity of less than three months	500.14	50.13	0.43
	710.65	**109.48**	**59.39**
Cash on hand	0.01	0.05	0.11
Deposit with other than banks with original maturity of less than three months	100.00	100.00	100.00
Post office saving accounts	0.01	0.01	0.01
	810.67	**209.54**	**159.51**
Investment in liquid Mutual funds	984.16	761.82	91.34
Certificates of deposits with original maturity of less than three months	764.83	838.27	1,132.45
TOTAL	**2,559.66**	**1,809.63**	**1,383.30**

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Other bank balances:			
*Deposits with original maturity for more than 3 months but less than 12 months	121.55	115.25	0.22
**Margin money deposit	15.69	19.94	-
#On unpaid dividend account	31.65	32.34	33.44
TOTAL	**168.89**	**167.53**	**33.66**

* Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) ` 121.21 Crore *{(December 31, 2016 - ` 114.76 Crore, January 01, 2016 - ` Nil)* - Refer note - 44 (A) (b)}

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

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

15. CURRENT - LOANS

Unsecured, considered good

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Security deposits	35.26	22.83	20.34
Loan to employees	6.14	6.59	7.06
TOTAL	**41.40**	**29.42**	**27.40**

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

16. OTHER CURRENT FINANCIAL ASSETS

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Interest Accrued on Investments	7.70	3.72	6.53
Other Accrued Interest	1.18	1.33	1.25
TOTAL	**8.88**	**5.05**	**7.78**

17. OTHER CURRENT ASSETS

Unsecured, Considered Good, unless otherwise stated

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Advances other than capital advances			
Advances to suppliers	430.74	126.92	66.03
Prepaid expenses	22.42	20.36	32.87
Other receivables			
Balances with statutory/ government authorities	292.84	148.76	116.62
Lease prepayment	3.72	3.72	3.72
Others	42.54	23.45	10.05
Others Considered doubtful	17.72	14.29	-
	60.26	37.74	10.05
Less: Allowance for doubtful receivables	(17.72)	(14.29)	-
	42.54	23.45	10.05
TOTAL	**792.26**	**323.21**	**229.29**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Plant and equipment (i)	7.69	6.11	7.01
Building (ii)	5.39	5.96	5.86
TOTAL	**13.08**	**12.07**	**12.87**

(i) The Group intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A selection of potential buyers is underway. No impairment loss was recognised on reclassification of the plant & equipment as held for sale and the Group expects the fair value less cost to sell to be higher than carrying amount.

(ii) The Group intends to dispose off Building (mainly residential flats) in the next 12 months which it no longer intends to utilise. These were previously used for residential purpose. A selection of potential buyers is underway. Impairment loss of ` 0.28 Crore *(Previous year - ` Nil)* is recognised in the Consolidated Statement of Profit and Loss under other expenses.

19. EQUITY SHARE CAPITAL

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Authorised			
22,50,00,000 *(December 31, 2016 - 22,50,00,000, January 01, 2016 - 22,50,00,000)* Equity shares of ` 10 each	225.00	225.00	225.00
10,00,00,000 *(December 31, 2016 - 10,00,00,000, January 01, 2016 - 10,00,00,000)* Preference shares of ` 10 each	100.00	100.00	100.00
Issued			
18,87,93,243 *(December 31, 2016 - 18,87,93,243, January 01, 2016 - 18,87,93,243)* Equity shares of ` 10 each	188.79	188.79	188.79
Subscribed & Paid-up			
18,77,87,263 *(December 31, 2016-18,77,87,263, January 01, 2016-18,77,45,356)* Equity shares of ` 10 each fully paid	187.79	187.79	187.75
Add : 3,84,060 *(December 31, 2016- 3,84,060, January 01, 2016- 3,84,060)* Equity shares of ` 10 each forfeited - amount originally paid	0.20	0.20	0.20
TOTAL	**187.99**	**187.99**	**187.95**

19. EQUITY SHARE CAPITAL (Contd.)

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	` Crore
As at January 01, 2016	**18,77,45,356**	**187.75**
Increase/ (decrease) during the year*	41,907	0.04
As at December 31, 2016	**18,77,87,263**	**187.79**
Increase/ (decrease) during the year	-	-
As at December 31, 2017	**18,77,87,263**	**187.79**

*Pursuant to the Orders passed by the Special Court (TORTS) the Company has allotted Nil *(Previous year - 41,907)* equity shares 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/ or their subsidiaries/ associates

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Ambuja Cements Limited, the Holding company# 9,39,84,120 *(December 31, 2016 - 9,39,84,120, January 01, 2016 - Nil)* Equity shares ` 10 each fully paid	93.98	93.98	-
Holcim (India) Private Limited, the holding company# Nil *(December 31, 2016 - NIL, January 01, 2016 - 9,38,88,120)* Equity shares ` 10 each fully paid	-	-	93.89
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited 84,11,000 *(December 31, 2016 - 84,11,000, January 01, 2016 - 5,41,000)* Equity shares ` 10 each fully paid	8.41	8.41	0.54

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

19. EQUITY SHARE CAPITAL (Contd.)

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

	As at December 31, 2017		As at December 31, 2016		As at January 01, 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the Holding company#	9,39,84,120	50.05	9,39,84,120	50.05	-	-
Holcim (India) Private Limited, Holding company#	-	-	-	-	9,38,88,120	50.01
Life Insurance Corporation of India	1,94,05,142	10.33	2,12,26,841	11.30	2,21,74,751	11.81

v) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

There are no securities which are convertible into equity shares.

Note:

#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 became a subsidiary of Ambuja Cements Limited.

20. OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance.

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Securities Premium Reserve	845.03	845.03	844.84
General Reserve	2,796.78	2,796.78	2,766.78
Retained earnings	5,539.44	4,999.26	4,755.16
Other Comprehensive Income	(13.39)	(15.63)	-
TOTAL	**9,167.86**	**8,625.44**	**8,366.78**

The description of the nature and purpose of each reserve within equity is as follows:

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the specific provisions of the Companies Act, 2013.

General Reserve: The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Consolidated statement of Profit and Loss. As per Companies Act, 2013, transfer of profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Group.

Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Group.

Other Comprehensive Income: Other Comprehensive Income includes re-measurement loss on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

21. NON-CURRENT PROVISIONS

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Provision for employee benefits (Refer note - 41)			
Provision for gratuity and staff benefit schemes	104.49	103.79	93.01
Long service award	5.45	6.75	6.39
Other provisions			
Provision for Site Restoration	32.85	30.82	28.81
Total	**142.79**	**141.36**	**128.21**

21.1 Movement of provisions during the year as required by Ind AS-37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013:

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore
Opening Balance	**30.82**	**28.81**
Provision during the year	0.71	0.71
Utilised during the year	(0.28)	(0.02)
Unwinding of discount and changes in the discount rate	1.60	1.32
Closing Balance	**32.85**	**30.82**

Provision for Site Restoration

Site restoration expenditure is incurred on an ongoing basis and until the closure of the site. The actual expenses may vary based on the nature of restoration and the estimate of restoration expenditure.

22. INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2017:

	Year ended December 31, 2017		Year ended December 31, 2016	
	` Crore	In %	` Crore	In %
Profit after exceptional item and before share of profit of associates and joint ventures and tax	1,299.14		874.86	
At India's statutory income tax rate	449.63	34.61%	302.79	34.61%
Effect of Allowances for tax purpose				
- Investment allowance on new Plant and Machinery	(33.29)	(2.56%)	(79.50)	(9.09%)
- Tax Holiday claim	(54.92)	(4.23%)	(25.18)	(2.88%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

22. INCOME TAX (Contd.)

	Year ended December 31, 2017		Year ended December 31, 2016	
	` Crore	In %	` Crore	In %
Effect of Non-Deductible expenses				
- Corporate social responsibility expenses	7.94	0.61%	9.39	1.07%
- Impairment of non-current investment	-	-	14.82	1.69%
- Others	17.84	1.38%	7.21	0.83%
Effect of Tax Exempt Income - Dividend	(1.65)	(0.13%)	(2.64)	(0.30%)
	(64.08)	**(4.93%)**	**(75.90)**	**(8.68%)**
At the effective income tax rate	385.55	29.68%	226.89	25.93%
Income tax expense reported in the Consolidated Statement of Profit and Loss	**385.55**	**29.68%**	**226.89**	**25.93%**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under Indian tax law.

Deferred Tax:

Deferred Tax relates to the following:

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Deferred Tax Liabilities:			
Depreciation and amortisation differences	862.29	776.99	653.94
Deferred Tax Liabilities on undistributed profit of Associates and Joint Ventures	9.07	7.83	7.83
	871.36	784.82	661.77
Deferred Tax Assets:			
Provision for employee benefits	41.71	44.08	27.57
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	105.47	105.59	101.32
Allowance for obsolescence of Stores and Spare Parts	9.88	9.88	9.88
Allowance for doubtful debts, advances and other assets	13.07	17.27	17.66
MAT credit entitlement	115.73	117.70	-
Others	33.94	33.99	29.98
	319.80	328.51	186.41
Net deferred tax liabilities	**551.56**	**456.31**	**475.36**

22. INCOME TAX (Contd.)

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

` Crore

	Net Balance as on January 01, 2017	Recognised in the Consolidated statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2017
Deferred Tax Liabilities:					
Depreciation and amortisation differences	776.99	85.30	-	-	862.29
Deferred Tax Liabilities on undistributed profit of associates and Joint Ventures	7.83	1.24	-	-	9.07
	784.82	**86.54**	**-**	**-**	**871.36**
Deferred Tax Assets:					
Provision for employee benefits	44.08	(1.12)	(1.25)	-	41.71
Expenditure debited in consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	105.59	(0.12)	-	-	105.47
Allowance for obsolescence of Stores and Spare Parts	9.88	-	-	-	9.88
Allowance for doubtful debts, advances and other assets	17.27	(4.20)	-	-	13.07
MAT credit entitlement	117.70	59.13	-	(61.10)	115.73
Others	33.99	(0.05)	-	-	33.94
	328.51	**53.64**	**(1.25)**	**(61.10)**	**319.80**
Net Deferred Tax Liabilities	**456.31**	**32.90**	**1.25**	**61.10**	**551.56**

` Crore

	Net Balance as on January 01, 2016	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2016
Deferred Tax Liabilities:					
Depreciation and amortisation differences	653.94	123.05	-	-	776.99
Deferred Tax Liabilities on undistributed profit of associates and Joint venture	7.83	-	-	-	7.83
	661.77	**123.05**	**-**	**-**	**784.82**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

22. INCOME TAX (Contd.)

` Crore

	Net Balance as on January 01, 2016	Recognised in the Consolidated Statement of Profit and Loss	Recognised in OCI	MAT Credit utilised	Net Balance as on December 31, 2016
Deferred Tax Assets:					
Provision for employee benefits	27.57	8.23	8.28	-	44.08
Expenditure debited in the Consolidated Statement of Profit and Loss but allowed for tax purposes in the following years	101.32	4.27	-	-	105.59
Allowance for obsolescence of Stores and Spare Parts	9.88	-	-	-	9.88
Allowance for doubtful debts, advances and other assets	17.66	(0.39)	-	-	17.27
MAT credit entitlement	-	117.70	-	-	117.70
Others	29.98	4.01	-	-	33.99
	186.41	133.82	8.28	-	328.51
Net Deferred Tax Liabilities	**475.36**	**(10.77)**	**(8.28)**	**-**	**456.31**

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is ` 18.10 Crore *(December 31, 2016 - ` 16.18 Crore, January 01, 2016 - ` 13.72 Crore)*. No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same tax authority.

The Group expects to utilize the MAT credit within next year.

The Subsidiaries having the following unused tax losses which arose on incurrence of business losses under the Income Tax for which no deferred tax asset has been recognised in the Balance Sheet.

Financial Year	Category	` Crore	Expiry date
2009-10	Business Loss	0.17	March 31, 2018
2010-11	Business Loss	0.09	March 31, 2019
2011-12	Business Loss	0.35	March 31, 2020
2012-13	Business Loss	0.86	March 31, 2021
2013-14	Business Loss	1.03	March 31, 2022
2014-15	Business Loss	0.27	March 31, 2023
2015-16	Business Loss	0.21	March 31, 2024
2016-17	Business Loss	0.95	March 31, 2025
2016-17	Depreciation	0.11	NA
	TOTAL	**4.04**	

The above information is based on the return of income filed by the individual subsidiary companies upto assessment year 2017-2018.

23. TRADE PAYABLES

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
At amortised cost			
Due to Micro and Small Enterprises (Refer Note - 47)	4.81	7.54	4.12
Due to Other than Micro and Small Enterprises	1,808.93	1,250.95	872.73
TOTAL	**1,813.74**	**1,258.49**	**876.85**

24. OTHER CURRENT FINANCIAL LIABILITIES

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Financial Liabilities at amortised cost			
Investor Education and Protection Fund			
Unpaid dividend*	31.65	32.34	33.44
Unpaid Matured Deposits*	-	0.02	0.02
Security deposits and retention money	530.73	561.98	692.88
Liability for capital expenditure	62.21	99.19	115.73
Others	96.75	141.86	97.59
TOTAL	**721.34**	**835.39**	**939.66**

*Does not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

25. OTHER CURRENT LIABILITIES

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Statutory dues	595.80	414.96	378.52
Advances from customers	188.73	201.87	137.91
Other payables (including Rebates to customers, interest on income tax, etc.)	953.44	798.74	812.92
TOTAL	**1,737.97**	**1,415.57**	**1,329.35**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

26. CURRENT PROVISIONS

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Provision for gratuity and staff benefit schemes (Refer Note - 41)	29.55	23.11	9.87
Provision for compensated absences	20.81	28.03	38.44
Long service award	0.83	0.88	0.78
TOTAL	**51.19**	**52.02**	**49.09**

27. REVENUE FROM OPERATIONS

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Sale of products (including excise duty)	13,837.51	12,288.32
Sale of Services	9.03	13.14
Sale of products and services (gross)	13,846.54	12,301.46
Other Operating Revenue		
Provision no longer required written back	11.29	23.68
Sale of surplus generated power	-	13.11
Scrap Sales	29.26	26.85
Incentives*	151.57	65.89
Miscellaneous income (including insurance claim, other services, etc.)	162.06	92.40
TOTAL	**14,200.72**	**12,523.39**

The Government of India introduced the Goods and Services tax (GST) with effect from July 01, 2017.

Sales for the current year includes excise duty up to June 30, 2017 of ` 937.60 Crore *(Previous year - ` 1,529.38 Crore)*.

*Incentives under various State Investment Promotion Schemes.

28. OTHER INCOME

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Interest income using the effective interest rate method		
Interest on bank deposits	67.14	58.36
Interest on income tax	14.86	0.03
Other interest income	9.87	7.20
	91.87	**65.59**
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	25.75	23.25
Net gain on fair valuation of current financial assets measured at FVTPL*	0.92	12.49
Gain on sale of non - current financial assets measured at FVTPL	10.32	-
Net gain on disposal of Property, Plant and Equipment	-	20.46
Net foreign exchange gain	-	1.02
	36.99	**57.22**
TOTAL	**128.86**	**122.81**

* These instruments are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109.

29. COST OF MATERIALS CONSUMED

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Inventories at the beginning of the year	131.07	132.01
Add: Purchases	2,002.93	1,586.32
	2,134.00	1,718.33
Less: Inventories at the end of the year	153.96	131.07
TOTAL	**1,980.04**	**1,587.26**

Details of cost of materials consumed

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Slag	326.94	184.41
Gypsum	343.23	288.90
Fly Ash	384.54	311.96
Cement	82.92	80.11
Aggregates	195.59	154.71
Others*	646.82	567.17
TOTAL	**1,980.04**	**1,587.26**

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

30. PURCHASES OF STOCK-IN-TRADE

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Cement	0.16	-
Ready mix concrete	0.68	2.52
TOTAL	**0.84**	**2.52**

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

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Inventories at the end of the year		
Stock-in-Trade	0.17	0.02
Finished Goods	161.62	139.00
Work -in-progress	230.87	238.74
	392.66	**377.76**
Inventories at the beginning of the year		
Stock-in-Trade	0.02	0.65
Finished Goods	139.00	152.90
Work -in-progress	238.74	241.20
	377.76	**394.75**
TOTAL	**(14.90)**	**16.99**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

32. EMPLOYEE BENEFITS EXPENSE

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Salaries and Wages	711.22	661.31
Contributions to Provident and other Funds	58.20	46.44
Staff welfare expenses	51.94	48.97
TOTAL	**821.36**	**756.72**

33. FREIGHT AND FORWARDING EXPENSE

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
On clinker transfer	480.83	452.86
On finished products	2,952.92	2,183.25
TOTAL	**3,433.75**	**2,636.11**

34. FINANCE COSTS

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Interest		
- On income tax	52.99	24.68
- On Defined benefit obligation	8.22	8.45
- Others (Including interest on deposits from dealer)	35.72	44.22
Unwinding of site restoration provision (Refer note - 21.1)	1.60	1.32
TOTAL	**98.53**	**78.67**

35. DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Depreciation on Property, Plant and Equipment	640.36	605.93
Amortisation of intangible assets	3.26	3.25
TOTAL	**643.62**	**609.18**

36. OTHER EXPENSES

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Consumption of stores and spare parts	331.92	362.13
Consumption of packing materials	434.36	353.84
Rent	139.79	132.92
Rates and taxes	152.45	149.68
Repairs	175.24	173.42
Insurance	22.07	24.84
Royalty on minerals (Refer Note 1 below)	225.74	217.37
Advertisement	87.42	80.57
Technology and know-how fees	128.37	107.98
Miscellaneous expenses (Refer Note 2 below)	743.44	754.93
TOTAL	**2,440.80**	**2,357.68**

Notes

1. Royalties on minerals expenses is net of ` 34.20 Crore *(Previous year - ` Nil)* related to provision for contribution towards District Mineral Foundation (DMF) under the Mines and Minerals (Development and Regulation) Amendment Act, 2015, written back on the basis of Supreme Court's favourable Judgement dated October 23, 2017.

2. (i) Does not include any item of expenditure with a value of more than 1% of turnover.

   (ii) Miscellaneous expenses includes Grinding facility charges, Commission on sales, Information technology services, Travelling expenses, Other third party services, etc.

   (iii) Miscellaneous expenses includes net loss of ` 4.23 Crore *(Previous year - ` Nil)* on foreign currency transaction and translation.

   (iv) Miscellaneous expenses includes Loss on sale / write off of Property, Plant and Equipment (net) of ` 2.93 Crore *(Previous year - ` Nil)*.

   (v) Details of 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:

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Miscellaneous expenses	21.82	22.27
TOTAL	**21.82**	**22.27**

No amount has been spent on construction/ acquisition of an asset of the Group.

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ` 18.73 Crore *(Previous year - ` 21.47 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 CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

37. EXCEPTIONAL ITEM

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Impairment of advances and other current assets relating to subsidiary	-	38.59
TOTAL	**-**	**38.59**

Impairment of ` 38.59 Crore is in respect of advances and other assets relating to a subsidiary company considering inordinate delay in realising its investments in coal blocks which were cancelled in 2015.

38. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

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

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Profit attributable to equity holders (as per Consolidated Statement of Profit and Loss)	924.41	658.29
Weighted average number of equity shares for Earnings Per Share computation		
Shares for Basic Earnings Per Share	18,77,87,263	18,77,71,233
Effect of dilution:		
Shares held in abeyance	4,76,618	4,75,207
(Movement in number of shares is on account of change in fair value of share)		
Weighted average number of Equity shares adjusted for the effect of dilution	**18,82,63,881**	**18,82,46,440**
Earnings per share		
Face value per share `	10.00	10.00
Basic `	49.23	35.06
Diluted `	49.10	34.97

39. GROUP INFORMATION

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Principal place of business	% equity interest		
			As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Bulk Cement Corporation (India) Limited (BCCI)	Cement and cement related products	India	94.65%	94.65%	94.65%
ACC Mineral Resources Limited	Cement and cement related products	India	100%	100%	100%
Lucky Minmat Limited	Cement and cement related products	India	100%	100%	100%
National Limestone Company Private Limited	Cement and cement related products	India	100%	100%	100%
Singhania Minerals Private Limited	Cement and cement related products	India	100%	100%	100%

The financial statements of each of the above Companies are drawn upto the same reporting date as that of the parent Company, i.e., December 31, 2017.

The holding company

Ambuja Cements Limited is the holding Company for ACC and LafargeHolcim Ltd. is the ultimate holding company for the Group.

Associates

Name	Principal activities	Principal place of business	% equity interest		
			As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Alcon Cement Company Private Limited	Cement and cement related products	India	40%	40%	40%
Asian Concretes and Cements Private Limited	Cement and cement related products	India	45%	45%	45%

Joint venturers

Name	Principal activities	Principal place of business	% equity interest		
			As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
OneIndia BSC Private Limited	Shared services	India	50%	50%	50%
Aakaash Manufacturing Company Private Limited	Ready mix concrete products	India	40%	40%	40%
Joint Operations of ACC Mineral Resources Limited					
MP AMRL (Semaria) Coal Company Limited	Cement related products	India	49%	49%	49%
MP AMRL (Bicharpur) Coal Company Limited	Cement related products	India	49%	49%	49%
MP AMRL (Marki Barka) Coal Company Limited	Cement related products	India	49%	49%	49%
MP AMRL (Morga) Coal Company Limited	Cement related products	India	49%	49%	49%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

40. FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL:

a. Joint ventures

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Group's share of profit/ (loss)	2.98	4.40
Group's share of other comprehensive income	(0.12)	-
Group's share of total comprehensive income	2.86	4.40

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Aggregate carrying amount of the Group's interests in these joint ventures	16.26	15.10	11.80

b. Associates

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Group's share of profit / (loss)	7.94	6.05
Group's share of other comprehensive income	(0.01)	-
Group's share of total comprehensive income	7.93	6.05

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Aggregate carrying amount of the Group's interests in these Associates	74.90	70.03	70.52

41. EMPLOYEE BENEFITS

a) **Defined Contribution Plans** – Amount recognized and included in Note 32 "Contributions to Provident and other Funds" of Consolidated Statement of Profit and Loss ` 17.94 Crore *(Previous year - ` 17.26 Crore)*

b) **Defined Benefit Plans** – As per actuarial valuation on December 31, 2017.

The Group has 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 service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 01, 2005 and separates from service of the Group on superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non-Funded.

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.

41. EMPLOYEE BENEFITS (contd.)

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

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

Salary risk - The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Defined Benefit Plans as per Actuarial valuation on December 31, 2017

		Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
		` Crore	` Crore	` Crore
I	**Expense recognised in the Consolidated Statement of Profit and Loss – for the year ended December 31, 2017**			
	Components recognised in the Consolidated Statement of Profit and Loss			
1	Current Service cost	13.75	7.96	0.03
		11.91	*6.95*	*0.04*
2	Net Interest Cost	0.94	6.87	0.41
		0.82	*7.17*	*0.46*
3	Employee Contributions	-	-	(0.33)
		-	-	*(0.32)*
4	Net benefit expense	14.69	14.83	0.11
		12.73	*14.12*	*0.18*
	Components recognised in Consolidated other comprehensive income			
5	Due to change in financial assumptions	(9.61)	(6.49)	(0.42)
		15.00	*6.48*	*0.67*
6	Due to change in experience adjustments	4.36	5.94	2.18
		5.71	*(0.14)*	*0.72*
7	(Return) on plan assets (Excluding interest income)	0.42	-	-
		(4.53)	-	-
8	Sub-total - Included in OCI	(4.83)	(0.55)	1.76
		16.18	*6.34*	*1.39*
9	Total expense (4 + 8)	9.86	14.28	1.87
		28.91	*20.46*	*1.57*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

41. EMPLOYEE BENEFITS (Contd.)

		Gratuity (Including additional gratuity)		Post employment medical benefits (PEMB)
		Funded	Non Funded	
		` Crore	` Crore	` Crore
II	**Amount recognised in Balance Sheet**			
1	Present value of Defined Benefit Obligation	(197.92)	(109.75)	(7.37)
		(204.21)	*(106.11)*	*(6.53)*
2	Fair value of plan assets	180.99	-	-
		189.95	-	-
3	Funded status {Surplus/(Deficit)}	(16.93)	(109.75)	(7.37)
		(14.26)	*(106.11)*	*(6.53)*
4	Net asset/(liability) as at December 31, 2017	(16.93)	(109.75)	(7.37)
		(14.26)	*(106.11)*	*(6.53)*
III	**Present Value of Defined Benefit Obligation**			
1	Present value of Defined Benefit Obligation at beginning of the year	204.21	106.11	6.53
		188.74	*96.03*	*5.72*
2	Current Service cost	13.75	7.96	0.03
		11.91	*6.95*	*0.04*
3	Interest Cost	12.80	6.87	0.41
		13.60	*7.17*	*0.46*
4	Employee Contributions	-	-	(0.33)
		-	-	*(0.32)*
5	Actuarial (Gains) / Losses arising from changes in financial assumptions	(9.61)	(6.49)	(0.42)
		15.00	*6.48*	*0.67*
6	Actuarial (Gains) / Losses arising from experience adjustments	4.36	5.94	2.18
		5.71	*(0.14)*	*0.72*
7	Benefits Payments	(27.59)	(10.64)	(1.03)
		(30.55)	*(10.38)*	*(0.76)*
8	Increase/ (decrease) due to effect of any business combination, divestitures, transfers	-	-	-
		(0.20)	-	-
9	Present value of Defined Benefit Obligation at the end of the year	197.92	109.75	7.37
		204.21	*106.11*	*6.53*
IV	**Fair Value of Plan Assets**			
1	Plan assets at the beginning of the year	189.95	-	-
		187.61	-	-
2	Interest income	11.86	-	-
		12.78	-	-
3	Contributions by Employer	7.19	-	-
		16.78	-	-
4	Actual benefits paid	(27.59)	-	-
		(31.75)	-	-
5	Actuarial (Gains) / Losses arising from changes in financial assumptions	(0.42)	-	-
		4.53	-	-
6	Plan assets at the end of the year	180.99	-	-
		189.95	-	-
V	**Weighted Average duration of Defined benefit obligation**	7 Years	8.8 Years	8.7 Years
		7 Years	*8.4 Years*	*9.3 Years*

(Figures in italics pertain to previous year)

41. EMPLOYEE BENEFITS (Contd.)

VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis as at December 31, 2017

` Crore

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12.13)	13.78	(8.22)	9.43	(0.52)	0.77
Future salary growth (1% movement)	12.98	(12.01)	7.42	(7.16)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.75	(0.68)

Sensitivity Analysis as at December 31, 2016

` Crore

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(12.64)	14.39	(8.06)	9.25	(0.54)	0.69
Future salary growth (1% movement)	13.17	(11.80)	7.22	(6.85)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.85	(0.77)

Sensitivity Analysis as at January 01, 2016

` Crore

Particulars	Gratuity - Funded		Gratuity - Unfunded		PEMB	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.68)	13.30	(7.15)	8.19	(0.47)	0.59
Future salary growth (1% movement)	12.17	(10.90)	6.38	(6.05)	-	-
Medical inflation increase rate (1% movement)	-	-	-	-	0.73	(0.66)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

41. EMPLOYEE BENEFITS (Contd.)

VII The major categories of plan assets as a percentage of total plan (%)

	Gratuity		
	As at December 31, 2017	**As at December 31, 2016**	**As at January 01, 2016**
Investments quoted in active markets:			
Debt instruments			
Government securities	56%	52%	50%
Debentures and bonds	35%	27%	29%
Equity shares	6%	10%	9%
Cash and cash equivalents:			
Fixed deposits	3%	11%	12%
	100%	**100%**	**100%**

VIII Actuarial Assumptions:

		As at December 31, 2017	**As at December 31, 2016**	**As at January 01, 2016**
a)	**Financial Assumptions**			
1	Discount Rate	7.30%	6.60%	7.80%
2	Expected rate of return on plan assets	7.30%	6.60%	7.80%
3	Salary increase rate	7.00%	7.00%	7.00%
b)	**Demographic Assumptions**			
1	Retirement age	60 years	60 years	60 years
2	Expected average remaining working lives of employees	10 years	10 years	10 years
3	Disability rate	5.00%	5.00%	5.00%
4	Medical premium inflation	12% for the first four years and thereafter 8%	12% for the first four years and thereafter 8%	12% for the first four years and thereafter 8%

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 discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

41. EMPLOYEE BENEFITS (Contd.)

e) 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.

f) Expected cash flows:

	Funded Gratuity			Unfunded Gratuity			PEMB		
	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
1. Expected employer contribution in the next year	14.10	18.00	11.00	-	-	-	-	-	-
2. Expected benefit payments									
Year 1	19.66	20.62	25.43	11.54	8.23	8.07	1.08	0.72	0.55
Year 2	27.81	27.22	25.03	10.91	10.54	10.36	1.00	0.66	0.61
Year 3	27.94	29.00	27.68	11.74	11.79	11.92	1.04	0.71	0.66
Year 4	26.78	27.17	27.73	11.24	10.92	12.20	1.03	0.75	0.71
Year 5	27.77	26.03	25.92	12.05	10.63	11.53	1.02	0.79	0.77
Next 5 years	125.28	126.81	122.72	55.95	50.84	52.01	4.70	4.21	4.60
Total expected payments	**255.24**	**256.85**	**254.51**	**113.43**	**102.95**	**106.09**	**9.87**	**7.84**	**7.90**

g) Post employment defined benefit plan expenses are included under employee benefit expenses in the Consolidated Statement of Profit and Loss.

h) Amount recognised as an expense under employee benefit expenses in the Consolidated Statement of Profit and Loss in respect of other benefits is ` 9.07 Crore *(Previous year - ` 12.31 Crore)*.

c) Provident Fund

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

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

The Group has obtained the actuarial valuation of interest rate obligation in respect of Provident Fund and there is no shortfall.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

41. EMPLOYEE BENEFITS (Contd.)

Defined benefit plans as per actuarial valuation on December 31, 2017

		Provident Fund ` Crore
I	**Components of expense recognized in the Consolidated Statement of Profit and Loss – for the year ended December 31, 2017**	
1	Current Service cost	23.14 *20.92*
2	Total expense	23.14 *20.92*
II	**Amount recognised in Balance Sheet**	
1	Present value of Defined Benefit Obligation	(714.09) *(630.11)*
2	Fair value of plan assets	717.43 *638.60*
3	Funded status {Surplus/(Deficit)}	3.34 *8.49*
4	Net asset/(liability) as at December 31, 2017*	3.34 *8.49*
III	**Present Value of Defined Benefit Obligation**	
1	Present value of Defined Benefit Obligation at beginning of the year	630.11 *557.29*
2	Current Service cost	23.14 *20.92*
3	Interest Cost	39.77 *43.82*
4	Employee Contributions	60.06 *54.75*
5	Actuarial (Gains) / Losses arising from changes in financial assumptions	(1.88) *5.00*
6	Actuarial (Gains) / Losses arising from experience adjustments	11.82 *14.50*
7	Benefits Payments	(55.13) *(14.15)*
8	Increase/ (decrease) due to effect of any business combination, divestitures, transfers	6.20 *(52.02)*
9	Present value of Defined Benefit Obligation at the end of the year	714.09 *630.11*
IV	**Fair Value of Plan Assets**	
1	Plan assets at the beginning of the year	638.60 *574.31*
2	Interest income	43.25 *48.04*
3	Contributions by Employer	22.35 *20.52*
4	Contributions by Employee	60.06 *54.75*

41. EMPLOYEE BENEFITS (Contd.)

		Provident Fund ` Crore
5	Actual benefits paid	(55.13) *(14.15)*
6	Net transfer in / (out)	6.20 *(52.02)*
7	Actual return on plan assets	2.10 *7.15*
8	Plan assets at the end of the year	717.43 *638.60*
V	**Weighted Average duration of Defined benefit obligation**	7 years *7 years*

(Figures in italics pertain to previous year)

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

VI The major categories of plan assets as a percentage of total plan

	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Investments quoted in active markets:			
Debt instruments			
Government securities	44%	52%	50%
Debentures and bonds	56%	48%	50%
	100%	**100%**	**100%**

VII The assumption used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Discounting rate	7.30%	6.60%	7.80%
Guaranteed interest rate	8.65%	8.65%	8.65%
Yield on assets based on the Purchase price and outstanding term of maturity	9.02%	8.98%	9.31%

VIII Sensitivity analysis for factors mentioned in Actuarial Assumptions

` Crore

	As at December 31, 2017		As at December 31, 2016		As at January 01, 2016	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.35)	1.62	(1.34)	1.59	(0.65)	0.77
Interest rate guarantee (1% movement)	33.59	(11.64)	32.05	(11.54)	21.06	(5.85)

IX The Group expects to contribute ` 24.95 Crore *(December 31, 2016 - ` 23 Crore, January 01, 2016 - ` 18.84 Crore)* to trust managed provident fund in next year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

42. LEASES

Operating lease commitments — Group as lessee

The Group has entered into operating leases on certain assets (grinding facility, godowns, flats, office premises and other premises). The Group has the option, under some of its leases, to lease the assets for additional terms of three to five years.

Future lease rentals are determined on the basis of agreed terms. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. At the expiry of the lease term, the Group has an option either to return the asset or extend the term by giving notice in writing.

Operating lease payment recognized in the Consolidated Statement of profit and loss amounts to ` 139.79 Crore *(Previous year - ` 132.92 Crore)* .

Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Not later than one year	33.67	33.94	24.75
Later than one year but not later than five years	31.65	70.04	94.09
Later than five years	-	-	1.16
TOTAL	**65.32**	**103.98**	**120.00**

The Group has arrangement with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. The Group has evaluated such arrangement based on facts and circumstances existing at the date of transition to Ind AS and have identified them in the nature of lease as the group takes more than an insignificant amount of the cement that will be produced or generated by the asset during the term of the arrangement and the price for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output. The Group has further assessed the other terms of the arrangement for classification as operating or finance lease and the arrangement is classified as operating lease.

The Group has concluded that it is impracticable to separate the lease payments from other payments made under the arrangement reliably and hence all payments under this arrangement are considered as lease payments. There are no minimum lease payments under such arrangement.

Finance lease

The Group has entered into long-term leasing arrangements for land which has been assessed as finance lease since the present value of the minimum lease payment is substantially similar to the fair value of leasehold land. These arrangements do not involve any material recurring payments, hence other disclosures are not given.

43. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for:

		As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
A)	Estimated value of contracts on capital account remaining to be executed (net of advance)	61.62	142.63	293.31

B) For commitments relating to lease arrangements, Refer Note - 42

44. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR

Disputed claims / levies in respect of:

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Sales tax	37.27	25.16	28.16
Customs demand	30.97	30.97	30.97
Claim by Suppliers	36.79	36.79	36.79
Claims for mining Lease rent	73.46	73.46	73.46
Mines and Geology	19.87	19.87	19.87
Royalty on Limestone (Refer Note a below)	8.01	114.45	114.24
CCI Matter (Refer Notes b & c below)	1,366.65	1,228.81	-
Others	52.96	51.32	34.49
TOTAL	**1,625.98**	**1,580.83**	**337.98**

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

The Group does not expect any reimbursements in respect of the above contingent liabilities.

a) The Company had filed writ / appeal petitions against the orders / notices of various authorities 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.

During the current year, the Chattisgarh High Court has decided this matter in favour of the Company 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 believes that similar relief can also be expected from the Judiciary and / or Authorities in the cases of Tamil Nadu Unit. In view of the demand being legally unjustifiable, and due to the decision of the Chattisgarh High Court, directly on this issue, the Company does not expect any liability in above matter.

b) In 2012, the Competition Commission of India ('CCI') issued an Order imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ` 1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT'), initially stayed the penalty, and by its final order dated December 11, 2015, set aside the order of the CCI, remanding the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI 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, 2017 is ` 183.74 Crore *(upto December 31, 2016 - ` 45.90 Crore)*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

44. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR (Contd.)

The Competition Appellate Tribunal (COMPAT) has ceased to exist effective May 26, 2017. The appellate function under the Competition Act, 2002 (Competition Act) is now conferred to the National Company Law Appellate Tribunal (NCLAT). The matter is accordingly listed before the NCLAT. NCLAT has heard the arguments of all the appellant cement manufacturers and also of the respondent CCI. The decision has been reserved by NCLAT.

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

c) 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. On Company's filing an appeal, Competition Appellate Tribunal (COMPAT) has stayed the penalty.

The Competition Appellate Tribunal (COMPAT) has ceased to exist effective May 26, 2017. The appellate function under the Competition Act, 2002 (Competition Act) is now conferred to the National Company Law Appellate Tribunal (NCLAT). Matter is now listed before NCLAT and is pending hearing.

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

(B) Material demands and disputes relating to assets and liabilities considered as remote by the Group

a) The Company had availed sales tax incentives in respect of its new 1 MTPA Plant (Gagal II) under the Himachal Pradesh (HP) State Industrial Policy, 1991. The Company had accrued sales tax incentives aggregating ` 56 Crore. The Sales tax authorities introduced certain restrictive conditions after commissioning of the unit stipulating that incentive is available only for incremental amount over the base revenue and production of Gagal I prior to the commissioning of Gagal II. The Company contends that such restrictions are not applicable to the unit as Gagal II is a new unit, as decided by the HP Hon'ble High Court and confirmed by the Hon'ble Supreme Court while determining the eligibility for transport subsidy. The Department recovered ` 64 Crore (tax of ` 56 Crore and interest of ` 8 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. The Company believes the Hon'ble High Court's judgment was based on an erroneous understanding of certain facts and legal positions and that it also failed to consider certain key facts. The Company has been advised by legal experts that there is no change in the merits of the Company's case. Based on such advice, the Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court, which is pending for hearing.

b) The Company was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid for each financial year. However, no disbursals were made (except an amount of ` 7 Crore representing part of the One Time Lumpsum capital subsidy claim of ` 15 Crore) as the authorities have raised new conditions and restrictions, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes to the extent of the eligible claims which are now being sought to be effected/ raised by the Government.

44. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR (Contd.)

The Division Bench of the Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government, against a single bench order only partially allowing the Company's claim, in its order dated February 24, 2015, allowed the Company's appeal in totality while dismissing the Government's appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately.

The Government of Jharkhand had filed an Special Leave petition (SLP) in the Hon'ble Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the Division Bench Order, had only stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received only ` 64 Crore out of total ` 235 Crore in part disbursement from the Government of Jharkhand.

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

The Company is of the view and has been advised legally, that the merits are strongly in its favour and it expects that the SLP shall be rejected upholding the order of the Division bench of the Jharkhand Hon'ble High Court by the Apex Court.

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ` 133 Crore *(December 31, 2016 - ` 133 Crore, January 01, 2016 - ` 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 and pending before the Hon'ble High Court for hearing on merit. The Company believes that the merits of the claim are strong.

d) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co. Ltd. in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80-IA of the Income-tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80-IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ` 56.66 Crore (net of provision) *(Previous Year - ` 56.66 Crore)*, the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ` 115.62 Crore *(Previous Year - ` 115.62 Crore)*, which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.

e) One of the Company's cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured at that plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ` 82.37 Crore *(Previous year - ` 82.37 Crore)* was raised. The Company filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand shall not sustain under law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

44. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR (Contd.)

f) Consequent upon the Hon'ble 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 as 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 was filed with the Hon'ble High Court of Jharkhand. 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 Company's favour.

In the view of Company and 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.

45. RELATED PARTY DISCLOSURE

(A)	**Names of the Related parties where control exists:**	**Nature of Relationship**
1	LafargeHolcim Ltd, Switzerland	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of 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 - 50)	Holding Company (Upto August 11, 2016)
4	Ambuja Cements Limited	Fellow Subsidiary upto August 11, 2016 and Holding Company (w.e.f. August 12, 2016)
5	OneIndia BSC Private Limited	Joint venture Company
6	Aakaash Manufacturing Company Private Limited	Joint venture Company
(B)	**Others - With whom transactions have been taken place during the current and/or previous year**	
(a)	**Names of other Related parties**	**Nature of Relationship**
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Lafarge India Private Limited	Fellow Subsidiary (Upto October 04, 2016)
4	Holcim Technology (Singapore) Pte Ltd, Singapore	Fellow Subsidiary
5	Siam City Cement (Lanka) Ltd, Sri Lanka	Fellow Subsidiary (Upto August 10, 2016)
6	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary
7	Holcim Services (South Asia) Limited	Fellow Subsidiary
8	Holcim Cement (Bangladesh) Ltd, Bangladesh	Fellow Subsidiary
9	Holcim Philippines, Inc, Philippines	Fellow Subsidiary
10	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
11	Holcim Technology Ltd, Switzerland	Fellow Subsidiary

45. RELATED PARTY DISCLOSURE (Contd.)

(a)	Names of other Related parties	Nature of Relationship
12	LafargeHolcim Trading Pte Ltd, Singapore	Fellow Subsidiary
13	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary
14	Holcim (Liban) S.A.L., Lebanon	Fellow Subsidiary
15	Cementos Apasco SA de CV (LHMEX), Mexico	Fellow Subsidiary
16	Dirk India Private Limited	Fellow Subsidiary (w.e.f. August 12, 2016)
17	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
18	The Provident Fund of ACC Ltd	Post-employment benefit plan
19	ACC Limited Employees Group Gratuity scheme	Post-employment benefit plan
	In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).	
(b)	**Name of the Related Parties**	**Nature of Relationship**
1	Mr. Neeraj Akhoury	Managing Director & CEO (w.e.f. February 04, 2017)
2	Mr. Harish Badami	CEO & Managing Director (upto February 03, 2017)
3	Mr. Sunil K. Nayak	Chief Financial Officer
4	Mr. Surendra Mehta	Company Secretary (w.e.f. April 21, 2017 upto September 25, 2017)
5	Mr. Kalidas Ramaswami	Company Secretary (w.e.f. September 26, 2017)
6	Mr. Burjor D. Nariman	Company Secretary upto March 31, 2017
7	Mr. N S Sekhsaria	Chairman, Non Executive / Non Independent Director
8	Mr. Jan Jenisch	Deputy Chairman, Non Executive / Non Independent Director (w.e.f. October 10, 2017)
9	Mr. Eric Olsen	Deputy Chairman, Non Executive / Non Independent Director (upto September 21, 2017)
10	Mr. Martin Kriegner	Non Executive / Non Independent Director (w.e.f. February 11, 2016)
11	Mr. Shailesh Haribhakti	Independent Director
12	Mr. Sushil Kumar Roongta	Independent Director
13	Mr. Ashwin Dani	Independent Director
14	Mr. Farrokh K Kavarana	Independent Director
15	Mr. Vijay Kumar Sharma	Non Independent Director
16	Mr. Arunkumar R Gandhi	Independent Director
17	Ms. Falguni Nayar	Independent Director
18	Mr. Christof Hassig	Non Independent Director
19	Mr. Bernard Terver	Non Independent Director (upto February 11, 2016)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

45. RELATED PARTY DISCLOSURE (Contd.)

(C)	Transactions with Joint venture Companies	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
(i)	**Purchase of Finished Goods**	**93.12**	**92.36**
	Aakaash Manufacturing Company Private Limited {Refer Note - 49 (ii)}	93.12	92.36
(ii)	**Sale of Finished Goods**	**22.35**	**19.70**
	Aakaash Manufacturing Company Private Limited	22.35	19.70
(iii)	**Receiving of Services**	**26.52**	**24.66**
	OneIndia BSC Private Limited	26.52	24.66
(iv)	**Dividend Received**	**1.69**	**1.10**
	Aakaash Manufacturing Company Private Limited	1.69	1.10
(v)	**Reimbursement of Expenses Received / Receivable**	**0.37**	**-**
	Aakaash Manufacturing Company Private Limited	0.37	-
(vi)	**Reimbursement of Expenses Paid / Payable**	**0.29**	**0.70**
	Aakaash Manufacturing Company Private Limited	0.29	0.70
(vii)	**Other recoveries (Net)**	**-**	**1.89**
	Aakaash Manufacturing Company Private Limited	-	1.89

	Outstanding balances with Joint venture Companies	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
(i)	**Outstanding balance included in Trade receivables**	**3.63**	**2.96**	**3.67**
	Aakaash Manufacturing Company Private Limited	3.63	2.96	3.67
(ii)	**Outstanding balance included in Trade payables**	**21.58**	**26.14**	**14.24**
	OneIndia BSC Private Limited	3.22	4.97	-
	Aakaash Manufacturing Company Private Limited	18.36	21.17	14.24

45. RELATED PARTY DISCLOSURE (Contd.)

D)	Transactions with Associate Companies	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
(i)	**Purchase of Finished Goods**	**69.58**	**69.33**
	Alcon Cement Company Private Limited {Refer Note - 49 (i)}	69.58	69.33
(ii)	**Purchase of Raw Materials**	**23.14**	**31.11**
	Asian Concretes and Cements Private Limited	23.14	31.11
(iii)	**Sale of Unfinished Goods**	**27.33**	**23.17**
	Alcon Cement Company Private Limited {Refer Note - 49 (i)}	27.33	23.17
(iv)	**Dividend Received**	**3.06**	**6.54**
	Alcon Cement Company Private Limited	3.06	2.04
	Asian Concretes and Cements Private Limited	-	4.50
(v)	**Rendering of Services**	**1.19**	**1.04**
	Alcon Cement Company Private Limited	1.19	1.04
(vi)	**Receiving of Services**	**91.57**	**50.36**
	Asian Concretes and Cements Private Limited	91.57	50.36
(vii)	**Reimbursement of Expenses Received / Receivable**	**10.52**	**12.68**
	Alcon Cement Company Private Limited	10.52	12.68
(viii)	**Reimbursement of Expenses Paid / Payable**	**5.45**	**4.77**
	Alcon Cement Company Private Limited	2.04	2.70
	Asian Concretes and Cements Private Limited	3.41	2.07

Outstanding balances with Associates Companies		As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
(i)	**Outstanding balance included in Trade receivables**	**11.78**	**6.53**	**10.32**
	Alcon Cement Company Private Limited	11.78	6.53	10.32
(ii)	**Outstanding balance included in Trade payables**	**23.62**	**16.77**	**13.30**
	Alcon Cement Company Private Limited	8.92	2.18	3.60
	Asian Concretes and Cements Private Limited	14.70	14.59	9.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

45. RELATED PARTY DISCLOSURE (Contd.)

(E)	Details of Transactions relating to Ultimate Holding Company and Holding Companies	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
(i)	**Dividend paid**	**174.07**	**160.64**
	Holcim (India) Private Limited	-	159.72
	Ambuja Cements Limited	159.77	-
	Holderind Investments Limited	14.30	0.92
(ii)	**Purchase of Raw materials**	**4.36**	**0.55**
	Ambuja Cements Limited	4.36	0.55
(iii)	**Purchase of Finished / Unfinished goods**	**10.16**	**24.75**
	Ambuja Cements Limited	10.16	24.75
(iv)	**Purchase of Stores & Spares**	**-**	**0.32**
	Ambuja Cements Limited	-	0.32
(v)	**Sale of Fixed Assets**	**13.13**	**-**
	Ambuja Cements Limited	13.13	-
(vi)	**Sale of Finished / Unfinished Goods**	**30.63**	**-**
	Ambuja Cements Limited	30.63	-
(vii)	**Sale of Raw Material**	**1.82**	**0.72**
	Ambuja Cements Limited	1.82	0.72
(viii)	**Rendering of Services**	**53.39**	**44.15**
	Ambuja Cements Limited	53.39	44.15
(ix)	**Reimbursement of Expenses Paid / Payable**	**0.32**	**5.54**
	Ambuja Cements Limited	0.32	5.54
(x)	**Receiving of Services**	**48.21**	**44.55**
	Ambuja Cements Limited	48.21	44.55
(xi)	**Reimbursement of Expenses Received / Receivable**	**0.27**	**2.37**
	Ambuja Cements Limited	0.27	1.86
	LafargeHolcim Ltd	-	0.51

Outstanding balances with Ultimate Holding and Holding Companies		As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
(i)	**Outstanding balance included in Trade receivables**	**31.68**	**5.05**	**24.49**
	Ambuja Cements Limited	31.16	4.53	24.49
	LafargeHolcim Ltd	0.52	0.52	-
(ii)	**Outstanding balance included in Other current assets - advances**	**-**	**0.16**	**0.18**
	Ambuja Cements Limited	-	0.16	0.18
(iii)	**Outstanding balance included in Trade payables**	**16.58**	**2.47**	**27.68**
	Ambuja Cements Limited	16.58	2.47	27.68

45. RELATED PARTY DISCLOSURE (Contd.)

(F)	Details of Transactions relating to Fellow Subsidiary Companies	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
(i)	**Purchase of Raw materials**	**348.64**	**207.66**
	LafargeHolcim Energy Solutions SAS	345.24	203.09
	Counto Microfine Products Private Limited	3.35	4.39
	Dirk India Private Limited	0.05	0.18
(ii)	**Purchase of Finished /Unfinished goods**	**-**	**1.64**
	Lafarge India Private Limited	-	0.72
	Counto Microfine Products Private Limited	-	0.92
(iii)	**Sale of Finished /Unfinished Goods**	**0.29**	**0.06**
	Counto Microfine Products Private Limited	0.29	-
	Lafarge India Private Limited	-	0.06
(iv)	**Technology and Know-how fees**	**128.37**	**107.98**
	Holcim Technology Ltd	128.37	107.98
(v)	**Receiving of Services**	**79.86**	**53.54**
	Holcim Group Services Ltd	0.89	3.00
	Holcim Services (South Asia) Limited	78.93	48.19
	Holcim Technology Ltd	0.04	2.35
(vi)	**Rendering of Services**	**0.03**	**-**
	Counto Microfine Product Private Limited	0.01	-
	Holcim Technology (Singapore) Pte Ltd	0.01	-
	LafargeHolcim Trading Pte Ltd	0.01	-
(vii)	**Reimbursement of Expenses Paid / Payable**	**0.07**	**0.11**
	Holcim Technology Ltd	0.07	-
	Holcim (Liban) S.A.L.	-	0.11
(viii)	**Reimbursement of Expenses Received / Receivable**	**2.24**	**0.15**
	Holcim Technology Ltd	2.13	-
	Cementos Apasco SA de CV (LHMEX)	0.11	-
	Siam City Cement (Lanka) Ltd	-	0.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

45. RELATED PARTY DISCLOSURE (Contd.)

	Outstanding balances with Fellow Subsidiary Companies	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
(i)	**Outstanding balance included in Trade receivables**	**0.36**	**0.28**	**2.94**
	Siam City Cement (Lanka) Ltd	-	-	0.35
	PT Holcim Indonesia Tbk	0.15	0.15	0.15
	Holcim Services(South Asia) Limited	-	-	0.21
	Holcim Cement (Bangladesh) Ltd	0.01	0.11	0.16
	Counto Microfine Product Private Limited	0.05	-	-
	Holcim Technology (Singapore) Pte Ltd	0.01	-	-
	Cementos Apasco SA de CV (LHMEX)	0.11	-	-
	Holcim Philippines	0.02	0.02	0.02
	LafargeHolcim Trading Pte Ltd	0.01	-	-
	Lafarge India Private Limited	-	-	2.05
(ii)	**Outstanding balance included in Trade payables**	**217.88**	**117.47**	**35.14**
	Holcim Group Services Ltd	0.59	0.04	0.37
	Holcim Services (South Asia) Limited	18.38	12.85	7.26
	Holcim Technology Ltd	30.14	23.79	26.80
	LafargeHolcim Energy Solutions SAS	168.11	80.58	-
	Lafarge India Private Limited	-	-	0.71
	Counto Microfine Products Private Limited	0.65	0.15	-
	Dirk India Private Limited	0.01	0.06	-

G)	Details of Transactions with Key Management Personnel	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
(i)	**Remuneration***	**8.23**	**10.95**
	Mr. Neeraj Akhoury**	4.15	-
	Mr. Harish Badami	-	7.32
	Mr. Sunil K. Nayak	2.94	2.46
	Mr. Burjor D. Nariman	0.30	1.17
	Mr. Surendra Mehta	0.60	-
	Mr. Kalidas Ramaswami	0.24	-

45. RELATED PARTY DISCLOSURE (Contd.)

G)	Details of Transactions with Key Management Personnel	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
(ii)	**Severance cost#**	**-**	**5.27**
	Mr. Harish Badami	-	5.27
	Breakup of Remuneration	**8.23**	**10.95**
	Short term employment benefit	7.49	10.14
	Post employment benefits	0.06	0.08
	Other long term benefits	0.68	0.73
(iii)	**Other Payment to Key Management Personnel**		
	Commission Paid	**3.53**	**2.75**
	Mr. N S Sekhsaria	0.50	0.37
	Mr. Jan Jenisch	0.04	-
	Mr. Eric Olsen	0.14	0.16
	Mr. Martin Kriegner	0.36	0.25
	Mr. Shailesh Haribhakti	0.36	0.28
	Mr. Sushil Kumar Roongta	0.36	0.28
	Mr. Ashwin Dani	0.36	0.28
	Mr. Farrokh Kavarana	0.36	0.28
	Mr. Vijay Kumar Sharma	0.20	0.16
	Mr. Arunkumar Gandhi	0.45	0.34
	Ms. Falguni Nayar	0.20	0.16
	Mr. Christof Hassig	0.20	0.16
	Mr. Bernard Terver	-	0.03
	Sitting Fees	**0.73**	**0.71**
	Mr. N S Sekhsaria	0.06	0.06
	Mr. Eric Olsen	0.01	0.04
	Mr. Martin Kriegner	0.08	0.08
	Mr. Shailesh Haribhakti	0.08	0.09
	Mr. Sushil Kumar Roongta	0.11	0.07
	Mr. Ashwin Dani	0.08	0.09
	Mr. Farrokh Kavarana	0.12	0.11
	Mr. Vijay Kumar Sharma	0.01	0.01
	Mr. Arunkumar Gandhi	0.09	0.07
	Ms. Falguni Nayar	0.06	0.03
	Mr. Christof Hassig	0.03	0.04
	Mr. Bernard Terver	-	0.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

45. RELATED PARTY DISCLOSURE (Contd.)

	Outstanding balances with Key Management Personnel	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
(i)	**Outstanding balance included in Other Current Liabilities**	-	8.32	0.38
	Mr. Neeraj Akhoury	-	-	-
	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 Group basis are not included in remuneration to key management personnel.

**Remuneration for the current year does not includes performance incentive for the year ended December 31, 2017, pending finalisation.

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

The Group makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Group contributed ` 22.35 Crore *(Previous Year - ` 20.52 Crore)*.

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme). During the year, the Group contributed ` 7.19 Crore *(Previous Year - ` 16.78 Crore)*.

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended December 31, 2017, the Group has not recorded any loss allowances for trade receivables from related parties *(Previous year - ` Nil)*.

46. SEGMENT REPORTING

For management purposes, the Group is organised into business units based on the nature of the products, the differing risks and returns. The organization structure and internal reporting system has two reportable segments, as follows:

(a) **Cement -** Cement is a product which is obtained as clinker resulting from mixing at suitable rates, grinding and firing raw material such as limestone, clay, iron ore, Fly ash, bauxite etc; and certain amount of setting regulator (generally gypsum) are ground together and set after mixing with water and gains strength. In general, it is used in construction activities.

(b) **Ready mix concrete -** Ready mix concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Operating Decision Maker ("CODM") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

46. SEGMENT REPORTING (Contd.)

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

` Crore

	Cement		Ready mix concrete		Total	
	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016
REVENUE						
External sales	12,692.83	11,314.19	1,153.71	987.27	13,846.54	12,301.46
Inter-segment sales	225.18	186.47	4.90	6.31	230.08	192.78
Other operating revenue	349.63	212.67	4.55	9.26	354.18	221.93
	13,267.64	**11,713.33**	**1,163.16**	**1,002.84**	**14,430.80**	**12,716.17**
Less : Elimination	225.18	186.47	4.90	6.31	230.08	192.78
Total revenue	**13,042.46**	**11,526.86**	**1,158.26**	**996.53**	**14,200.72**	**12,523.39**
Operating EBITDA	**1,797.45**	**1,403.71**	**114.98**	**74.78**	**1,912.43**	**1,478.49**
Segment result	**1,173.78**	**834.61**	**98.10**	**55.64**	**1,271.88**	**890.25**
Unallocated corporate Income net of unallocated expenditure					33.92	36.28
Operating Profit					**1,305.80**	**926.53**
Finance Costs					(98.53)	(78.67)
Interest and Dividend income					91.87	65.59
Exceptional item (Refer Note - 37)					-	(38.59)
Share of profit from associates and Joint ventures					10.92	10.45
Tax expenses					(385.55)	(226.89)
Profit after tax					**924.51**	**658.42**
Capital expenditure (including capital work-in-progress and capital advances)	482.03	495.64	21.62	11.17	503.65	506.81
Depreciation and Amortisation	626.79	590.31	16.83	18.87	643.62	609.18
Other non-cash expenses	5.59	2.95	2.95	13.71	8.54	16.66

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

46. SEGMENT REPORTING (Contd.)

` Crore

	Cement			Ready mix concrete			Total		
	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Segment assets	11,326.92	10,672.30	10,642.00	372.53	296.73	283.31	11,699.45	10,969.03	10,925.31
Unallocated Corporate assets							3,146.29	2,424.91	1,885.25
Total assets							**14,845.74**	**13,393.94**	**12,810.56**
Segment liabilities	3,950.72	3,291.03	2,981.00	278.49	226.25	178.42	4,229.21	3,517.28	3,159.42
Unallocated Corporate liabilities							1,257.80	1,060.45	1,093.76
Total liabilities							**5,487.01**	**4,577.73**	**4,253.18**

Sales from external customer	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Within India	13,783.17	12,240.47
Outside India *	63.37	60.99
TOTAL	**13,846.54**	**12,301.46**

No single customer contributed 10% or more to the Group's revenue for the year ended December 31, 2017 and December 31, 2016.

* Sales outside India are in functional currency.

All the non current assets are located within India.

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

		As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` 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)	4.81	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.	-	-	-

		As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
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 Group. This has been relied upon by the auditors.

48. ACC Mineral Resources Limited (AMRL), through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the 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. AMRL has filed its claim to Ministry of Coal for compensation in respect of Bicharpur coal block pursuant to judgment issued by Delhi Hon'ble High Court dated March 09, 2017. In respect of other three blocks, auctioning dates yet been announced.

49.

(i) The Group has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ` 22.84 Crore *(Previous year - ` 20.35 Crore)* has not been recognized as a part of the turnover but has been adjusted against cost of purchase of cement so converted.

(ii) The Group has arrangement with a Joint venture company whereby it purchases Ready Mixed Concrete and sells that to external customers. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under VAT / GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale of such Ready mix concrete to customer ` 83.61 Crore *(Previous year - ` 87.65 Crore)* has not been recognized as a part of the turnover but has been adjusted against cost of purchase of Ready mix concrete.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

50. 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 became a subsidiary of Ambuja Cements Limited.

51. CAPITALISATION OF EXPENDITURE

During the year, the Group has capitalised the following expenses of revenue nature to the cost of Property, Plant and Equipment / Capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

	2017 ` Crore	2016 ` Crore
Balance at the beginning of the year	18.56	197.43
Expenditure during construction for projects:		
Employee benefits expense	6.60	25.26
Insurance	-	0.02
Rates and taxes	-	0.17
Depreciation	-	0.17
Miscellaneous expenses	2.95	13.75
Total	**28.11**	**236.80**
Less : Capitalised during the year	25.31	218.24
Balance at the end of the year	**2.80**	**18.56**

52 FAIR VALUES

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

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs that are unobservable for the asset or liability

Set out below, is a comparison by category of the carrying amounts and fair value of the Group's financial instruments.

Categories of financial instruments

		Carrying value			Fair value			Fair value hierarchy	Valuation technique and key inputs
		As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore		
Financial assets									
1.	**Measured at Fair value through profit or loss (FVTPL)**								
(a)	Mandatorily measured:								
	Equity investments	-	28.35	17.05	-	28.35	17.05	Level 1	Quoted bid prices in an active market
	Cash and cash equivalents - Mutual funds	984.16	761.82	91.34	984.16	761.82	91.34	Level 1	Using net asset value approach
(b)	Designated as at FVTPL	-	-	-	-	-	-	-	
2.	**Measured at amortised cost**								
	Cash and cash equivalents (Certificates of deposits and other deposits)	864.83	938.27	1,232.45	864.83	938.27	1,232.45	Level 2	Discounted cash flow method
	Other Cash and cash equivalents	710.67	109.54	59.51	710.67	109.54	59.51	-	
	Bank balances other than Cash and Cash Equivalents	168.89	167.53	33.66	168.89	167.53	33.66	-	
	Investments in Bonds	3.70	3.70	3.70	3.70	3.70	3.70	Level 2	Discounted cash flow method
	Security deposits (Current and Non-Current)	240.71	194.30	212.19	240.71	194.30	212.19	Level 3	Discounted cash flow method
	Loans and Other financial assets (Current and Non-Current)	32.22	39.81	67.89	32.22	39.81	67.89	Level 3	Discounted cash flow method
	Trade receivables	665.97	533.18	484.43	665.97	533.18	484.43	-	
3.	**Measured at fair value through Other Comprehensive Income**	-	-	-	-	-	-	-	
	Total	**3,671.15**	**2,776.50**	**2,202.22**	**3,671.15**	**2,776.50**	**2,202.22**		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

	Carrying value			Fair value			Fair value hierarchy	Valuation technique and key inputs
	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016		
Financial liabilities								
1. Measured at FVTPL	-	-	-	-	-	-	-	
2. Measured at amortised cost								
Trade payables	1,813.74	1,258.49	876.85	1,813.74	1,258.49	876.85	-	
Security deposits and retention money	530.73	561.98	692.88	530.73	561.98	692.88	Level 3	Discounted cash flow method
Other financial liabilities	190.61	273.41	246.78	190.61	273.41	246.78	-	
TOTAL	**2,535.08**	**2,093.88**	**1,816.51**	**2,535.08**	**2,093.88**	**1,816.51**		

Management assessed the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

Quoted bid prices in an active market - Unadjusted Quoted price in principle market in which equity instrument is actively traded.

Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held. Fair value of certificate of deposits is determined based on the indicative quotes of price and yields prevailing in the market at the reporting date.

Under Discounted cash flow method, future cash flows are discounted by using rates which reflect market risks. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has a robust risk management framework to identify, monitor, mitigate and minimize risks arising from financial instruments.

The Group is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Group's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimize potential adverse effects on the Group's financial performance. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarized below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	Diversification of counterparties, investment limits, check on counterparties basis credit rating and number of overdue days
Liquidity Risk	Borrowings, Trade payables, Deposits from dealers and other financial liabilities	Maturity analysis	Preparing and monitoring forecasts of cash flows and maintaining sufficient cash and cash equivalents
Market Risk- Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	Exposure limits
Market Risk- Price risk	Investment in equity instruments	Sensitivity analysis	Strategic investment
Market Risk- Interest rate risk	Security deposit from dealers	Sensitivity analysis	Periodical reset of interest rate linked to market

(i) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits placed with banks and financial institutions and other financial instruments.

<u>Financial assets other than trade receivables</u>

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with it's policy. Surplus funds are parked only within approved investment categories with well defined limits. Investment category is periodically reviewed by the Group's Board of Directors.

Credit risk arising from short term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of collaterals. The requirement for impairment is analysed at each reporting date on an individual basis for major customers. The management is also monitoring the receivables levels by having frequent interaction with responsible person for highlighting potential instances where receivables might become overdue.

Trade receivables consist of a large number of customers spread across India with no significant concentration of credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing in creditworthy couterparties and obtaining collateral i.e. security deposit. No single customer accounted for 10% or more of the Group's net sales. Therefore, the Group does not expect any material risk on account of non-performance by any of its counterparties.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

	As at December 31, 2017 ` Crore	As at December 31, 2016 ` Crore	As at January 01, 2016 ` Crore
Neither past due nor impaired	260.96	242.86	191.27
Past due not impaired			
- 1-180 days	364.39	282.64	278.38
- more than 180 days	40.62	7.68	14.78
Past due impaired			
- 1-180 days	2.74	2.76	2.28
- more than 180 days	26.29	34.22	32.58
TOTAL	**695.00**	**570.16**	**519.29**

Expected credit loss assessment

For trade receivables, as a practical expedient, the Group compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. Accordingly, the Group creates provision for past due receivables beyond 180 days ranging between 80%-100% after considering the underlying collaterals.

The following table summarizes the change in the loss allowances measured using simplified approach model expected credit loss assessment:

	` Crore
As at January 01, 2016	34.86
Provided during the year	15.39
Amounts utilised	(11.36)
Reversals of Provision	(1.91)
As at December 31, 2016	**36.98**
Provided during the year	3.84
Amounts written off	(10.15)
Reversals of Provision	(1.64)
As at December 31, 2017	**29.03**

No significant changes in estimation techniques or assumptions were made during the reporting period.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The table summarises the details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contracted undiscounted cash payments.

` Crore

	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2017				
Other financial liabilities*	721.34	741.31	-	741.31
Trade payables	1,813.74	1,813.74	-	1,813.74
	2,535.08	**2,555.05**	**-**	**2,555.05**

	Carrying amount	Less than 1 year	More than 1 year	Total
As at December 31, 2016				
Other financial liabilities*	835.39	866.96	-	866.96
Trade payables	1,258.49	1,258.49	-	1,258.49
	2,093.88	**2,125.45**	**-**	**2,125.45**

	Carrying amount	Less than 1 year	More than 1 year	Total
As at January 01, 2016				
Other financial liabilities*	939.66	971.98	-	971.98
Trade payables	876.85	876.85	-	876.85
	1,816.51	**1,848.83**	**-**	**1,848.83**

Other financial liabilities includes deposits received from customers amounting to ` 459.10 Crore *(December 31, 2016 - ` 435.50 Crore; January 01 2016 - ` 445.74 Crore). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risks, currency risk and other price risk, such as equity price risks and commodity risk. Financial instruments affected by market risk include loans and borrowings, investments, deposits, trade payables.

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to change in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relate to import of raw materials, fuels and capital items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Based on sensitivity analysis, Group has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged. Currently our Foreign currency risk exposure is below threshold limit hence not hedged.

Particulars of unhedged foreign currency exposure as at Balance Sheet date

Particulars	Currency	As at December 31, 2017		As at December 31, 2016		As at January 01, 2016	
		Foreign currency in Crore	` Crore	Foreign currency in Crore	` Crore	Foreign currency in Crore	` Crore
Trade Payable and Other current liabilities	CHF	0.002	0.15	0.002	0.11	0.03	2.25
	USD	3.31	211.58	1.25	85.34	0.10	6.60
	EUR	0.03	2.17	0.19	13.91	0.14	9.82

Foreign currency sensitivity

The following tables demonstrate the sensitivity into a reasonably possible change in exchange rates, with all other variables held constant. A positive number below indicates an increase in profit where the ` strengthens 5% against the relevant currency. For a 5% weakening of the ` against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

` Crore

Particulars	As at December 31, 2017		As at December 31, 2016		As at January 01, 2016	
	5% strengthening of `	5% weakening of `	5% strengthening of `	5% weakening of `	5% strengthening of `	5% weakening of `
CHF	0.01	(0.01)	0.01	(0.01)	0.11	(0.11)
USD	10.58	(10.58)	4.27	(4.27)	0.33	(0.33)
EUR	0.11	(0.11)	0.70	(0.70)	0.49	(0.49)
TOTAL	**10.70**	**(10.70)**	**4.98**	**(4.98)**	**0.93**	**(0.93)**

5% represent management assessment of reasonably possible change in foreign currency exchange rate.

Market Risk- Price risk

Other price risk is the risk that the fair value of financial instruments will fluctuate due to change in marked traded prices. Other price risk is arises from the financial assets such as investments in equity instruments and bonds.

The Group is exposed to equity price risks arising from equity investment in Shiva Cement Limited. Group's equity investment was held for strategic rather than trading purposes. During the current year, the Group has sold investment in Shiva Cement Limited.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices of Shiva Cement Limited had been 5% higher/ lower, the Profit before tax for the year ended December 31, 2016 would have been increased / decreased by ` 1.42 Crore *(January 01, 2016 - ` 0.85 Crore)* as a result of the changes in fair value of equity investments measured at FVTPL.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the interest rate risk arises primarily from their loans and borrowings. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

The Group has received interest bearing security deposit from dealers. If interest rate had been 0.50% higher/ lower the Profit for the year ended December 31, 2017 would decrease / increase by ` 2.30 Crore *(Previous year - ` 2.28 Crore).*

Unrepresentativeness of Sensitivity analysis

In management's opinion the sensitivity analysis is unrepresentative of the above inherent risks because the exposure at the end of the reporting periods does not reflect the exposure during the year.

54. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

As stated in the below table, the Group is a Zero debt Group with no long-term borrowings. The Group is not subject to any externally imposed capital requirements.

` Crore

	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Total Debt	-	-	-
Less: Cash and cash equivalents	(2,559.66)	(1,809.63)	(1,383.30)
Net Debt	(2,559.66)	(1,809.63)	(1,383.30)
Equity attributable to owners of the parent	9,355.85	8,813.43	8,554.73
Debt to Equity (Net)	**NA**	**NA**	**NA**

55. FIRST-TIME ADOPTION OF IND AS

The effect of the Group's transition to Ind AS is summarized as follows:

(i) Transition election

(ii) Reconciliation of Consolidated Balance Sheet

(iii) Reconciliation of Consolidated equity

(iv) Reconciliation of Consolidated Total Comprehensive Income for the year ended December 31, 2016

(v) Effect of adoption of Ind AS on the Consolidated Statement of Cash Flow for the year ended December 31, 2016

(i) Transition election

These Consolidated financial statements, for the year ended December 31, 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended December 31, 2016, the Group prepared its Consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Accordingly, the Group has prepared the comparative period data as at and for the year ended December 31, 2016, as described in the summary of significant accounting policies. In preparing these Consolidated financial statements, the Group's opening Consolidated Balance Sheet was prepared as at January 01, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Previous GAAP Consolidated financial statements as at and for the year ended December 31, 2016, including the opening Consolidated Balance Sheet as at January 01, 2016.

Overall principle

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as of January 01, 2016 (the transition date) by,

- Recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain optional exemptions and mandatory exceptions availed by the Group as detailed below. Since, these Consolidated financial statements are the first Consolidated financial statements in accordance with Ind AS, the first time adoption – optional exemptions and mandatory exceptions have been explained in detail.

Exemptions applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

1 Business Combinations

Ind AS 103 "Business Combinations" has not been applied to acquisitions of subsidiaries, Associates and Joint ventures which are considered businesses under Ind AS that occurred before January 01, 2016. Use of this exemption means that the Previous GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognizes all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognized and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognized in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual Balance Sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS Consolidated Balance Sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

2 Leases

Appendix C to Ind AS 17 "Leases" requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions prevailing as at Ind AS transition date.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

3 Deemed cost of property, plant and equipment and intangible assets

As per Ind AS 101, a first-time adopter has an option, inter alia, to use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS, if there has been no change in its functional currency on the date of transition. The Group has accordingly elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment and intangible assets.

4 Joint arrangement

While changing from proportionate consolidation to the equity method for accounting of an investment in joint venture, the initial investment as at transition date is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

Exceptions

1 Estimates

The estimates at January 01, 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model
- Fair value of unquoted equity instruments

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at January 01, 2016.

2 Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

55. FIRST-TIME ADOPTION OF IND AS (contd.)

(ii) Reconciliations of Consolidated Balance Sheet

` Crore

Particulars	Foot notes	As at December 31, 2016					As at January 01, 2016				
		Previous GAAP	Ind Adjustments			Ind AS	Previous GAAP	Ind Adjustments			Ind AS
			Classifications	Measurements	JV Reversal (Refer Foot Notes - 19)			Classifications	Measurements	JV Reversal (Refer Foot Notes - 19)	
A ASSETS											
1) Non-current assets											
a) Property, plant and Equipment	1 (A), 2 & 12	7,486.42	10.37	28.11	(0.42)	7,524.48	5,315.00	8.73	-	-	5,323.73
b) Capital work-in-progress		261.03	-	-	(0.05)	260.98	2,379.44	-	-	-	2,379.44
c) Goodwill on consolidation	1 (B) & 18 (A)	-	9.69	5.88	-	15.57	-	15.57	-	-	15.57
d) Other Intangible Assets	1	13.32	14.40	-	-	27.72	15.82	10.16	-	-	25.98
e) Intangible assets under development	-	-	-	-	-	-	16.67	-	-	-	16.67
f) Investments in associates and joint ventures	18 (B)	78.64	-	3.42	3.07	85.13	80.91	-	-	1.41	82.32
g) Financial Assets											
(i) Investments	13	9.49	-	22.56	-	32.05	5.79	-	11.26	-	17.05
(ii) Loans	11 & 14	984.94	(773.52)	(10.81)	(1.03)	199.58	1,116.76	(857.00)	(13.93)	(1.04)	244.79
(iii) Other Financial Assets	11	-	0.06	-	-	0.06	-	0.11	-	-	0.11
h) Non-current tax assets (Net)	11	-	306.34	-	(1.62)	304.72	-	306.53	-	-	306.53
i) Other non-current assets	11 & 14	483.05	349.39	6.49	-	838.93	465.93	550.37	10.21	-	1,026.51
Total Non-current assets		**9,316.89**	**(83.27)**	**55.65**	**(0.05)**	**9,289.22**	**9,396.32**	**34.47**	**7.54**	**0.37**	**9,438.70**
2) Current assets											
a) Inventories		1,224.63	-	-	-	1,224.63	1,189.43	-	-	-	1,189.43
b) Financial assets											
(i) Investments	11	1,598.87	(1,598.87)	-	-	-	1,227.45	(1,223.75)	-	-	3.70
(ii) Trade receivables	4	466.35	68.37	-	(1.54)	533.18	484.43	-	-	-	484.43
(iii) Cash and Cash equivalents	11 & 13	278.40	1,531.34	1.22	(1.33)	1,809.63	94.03	1,290.09	0.04	(0.86)	1,383.30
(iv) Bank balances other than Cash and Cash Equivalents	11	-	167.53	-	-	167.53	-	33.66	-	-	33.66
(v) Loans	11	440.43	(410.38)	-	(0.63)	29.42	352.82	(325.24)	-	(0.18)	27.40
(vi) Other financial assets	11	-	5.05	-	-	5.05	-	7.78	-	-	7.78
c) Other current assets	2, 11 & 14	60.96	258.80	3.72	(0.27)	323.21	55.48	170.09	3.72	-	229.29
		4,069.64	**21.84**	**4.94**	**(3.77)**	**4,092.65**	**3,403.64**	**(47.37)**	**3.76**	**(1.04)**	**3,358.99**
Non-current assets classified as held for sale	2	-	12.07	-	-	12.07	-	12.87	-	-	12.87
Total Current assets		**4,069.64**	**33.91**	**4.94**	**(3.77)**	**4,104.72**	**3,403.64**	**(34.50)**	**3.76**	**(1.04)**	**3,371.86**
TOTAL - ASSETS		**13,386.53**	**(49.36)**	**60.59**	**(3.82)**	**13,393.94**	**12,799.96**	**(0.03)**	**11.30**	**(0.67)**	**12,810.56**

55. FIRST-TIME ADOPTION OF IND AS (contd.)

(ii) Reconciliations of Consolidated Balance Sheet (contd.)

` Crore

Particulars	December 31, 2016						January 01, 2016				
	Foot notes	Previous GAAP	Ind Adjustments			Ind AS	Previous GAAP	Ind Adjustments			Ind AS
			Classifications	Measurements	JV Reversal (Refer Foot Notes - 19)			Classifications	Measurements	JV Reversal (Refer Foot Notes - 19)	
B. EQUITY AND LIABILITIES											
Equity											
a) Equity Share Capital		187.99	-	-	-	187.99	187.95	-	-	-	187.95
b) Other Equity	3	8,453.53	-	171.91	-	8,625.44	8,233.19	-	133.59	-	8,366.78
Equity attributable to owners of the parent		**8,641.52**	**-**	**171.91**	**-**	**8,813.43**	**8,421.14**	**-**	**133.59**	**-**	**8,554.73**
Non-controlling interest		2.78	-	-	-	2.78	2.65	-	-	-	2.65
Total Equity		**8,644.30**	**-**	**171.91**	**-**	**8,816.21**	**8,423.79**	**-**	**133.59**	**-**	**8,557.38**
Liabilities											
Non-current liabilities											
a) Provisions	16	131.70	-	9.68	(0.02)	141.36	119.86	(0.01)	8.36	-	128.21
b) Deferred tax liabilities (Net)	5 & 17	559.35	(117.70)	14.61	0.05	456.31	470.42	-	4.94	-	475.36
Total - Non-current liabilities		**691.05**	**(117.70)**	**24.29**	**0.03**	**597.67**	**590.28**	**(0.01)**	**13.30**	**-**	**603.57**
Current liabilities											
a) Financial Liabilities											
(i) Trade payables		1,260.20	-	-	(1.71)	1,258.49	877.50	-	-	(0.65)	876.85
(ii) Other financial liabilities	4 & 11	-	835.39	-	-	835.39	-	939.66	-	-	939.66
b) Other current liabilities	11	2,183.94	(767.06)	-	(1.31)	1,415.57	2,269.06	(939.68)	(0.01)	(0.02)	1,329.35
c) Provisions	11 & 15	607.04	(419.29)	(135.61)	(0.12)	52.02	639.33	(454.66)	(135.58)	-	49.09
d) Current tax liabilities (Net)	11	-	419.30	-	(0.71)	418.59	-	454.66	-	-	454.66
Total - Current liabilities		**4,051.18**	**68.34**	**(135.61)**	**(3.85)**	**3,980.06**	**3,785.89**	**(0.02)**	**(135.59)**	**(0.67)**	**3,649.61**
Total - Liabilities		**4,742.23**	**(49.36)**	**(111.32)**	**(3.82)**	**4,577.73**	**4,376.17**	**(0.03)**	**(122.29)**	**(0.67)**	**4,253.18**
TOTAL - EQUITY AND LIABILITIES		**13,386.53**	**(49.36)**	**60.59**	**(3.82)**	**13,393.94**	**12,799.96**	**(0.03)**	**11.30**	**(0.67)**	**12,810.56**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

(iii) Reconciliations of Consolidated Equity

` Crore

Particulars	Foot notes	As at December 31, 2016	As at January 01, 2016
Equity as per Previous GAAP		**8,641.52**	**8421.14**
Spare parts capitalised under Ind AS	12	28.11	-
Gain on measurement of Investments in equity instrument at Fair Value through Profit and Loss	13	22.56	11.26
Gain on fair valuation of investment in Mutual Fund at fair value through Profit and Loss	13	1.22	0.04
Amortisation of Goodwill on Subsidiaries and Associates to be tested for impairment in Ind AS	18	9.30	-
Proposed Dividend (including Tax) accounted in the year of Shareholder's approval	15	135.61	135.58
Site restoration liability	16	(9.68)	(8.36)
Other adjustments	14	(0.60)	0.01
Deferred tax on undistributed profit of Associates and Joint ventures	17	(7.83)	(7.83)
Net Tax effect on above adjustments	17	(6.78)	2.89
Total Adjustments		**171.91**	**133.59**
Equity attributed to owners of parent as per Ind AS		**8,813.43**	**8,554.73**

55. FIRST-TIME ADOPTION OF IND AS (contd.)

(iv) Reconciliation of Consolidated Total Comprehensive Income for the year ended December 31, 2016

` Crore

	Particulars	Foot Notes	Previous GAAP	Ind AS Adjustments			Ind AS
				Adjustments within the Total Comprehensive Income	measurements	JV Reversal (Refer Foot Notes - 19)	
1	Revenue from operations	6,7 & 8	11,167.55	1,365.05	-	(9.21)	12,523.39
2	Other income	13 & 14	107.20	-	15.61	-	122.81
3	**TOTAL INCOME**		**11,274.75**	**1,365.05**	**15.61**	**(9.21)**	**12,646.20**
4	**EXPENSES**						
	a) Cost of materials consumed		1,587.26	-	-	-	1,587.26
	b) Purchases of stock-in-trade	8	90.17	(87.65)	-	-	2.52
	c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		16.99	-	-	-	16.99
	d) Employee benefits expense	9 & 10	789.86	(23.71)	-	(9.43)	756.72
	e) Power and Fuel		2,159.91	-	-	-	2,159.91
	f) Freight and Forwarding expense		2,636.11	-	-	-	2,636.11
	g) Excise duty	6	-	1,533.67	-	-	1,533.67
	h) Finance costs	10 & 16	68.91	8.44	1.32	-	78.67
	i) Depreciation and amortisation expense	18 (A)	615.11	-	(5.88)	(0.05)	609.18
	j) Other expenses	6,7, 9, 10, 12, 14 & 18 (B)	2,472.48	(89.61)	(27.78)	2.59	2,357.68
			10,436.80	1,341.14	(32.34)	(6.89)	11,738.71
	Self consumption of cement		(5.96)	-	-	-	(5.96)
	TOTAL EXPENSES		**10,430.84**	**1,341.14**	**(32.34)**	**(6.89)**	**11,732.75**
5	**Profit before share of profit of associates and joint ventures, exceptional item and tax (3-4)**		**843.91**	**23.91**	**47.95**	**(2.32)**	**913.45**
6	Share of profit in associates and a joint venture		8.79	-	-	1.66	10.45
7	**Profit before exceptional item and tax (5+6)**		**852.70**	**23.91**	**47.95**	**(0.66)**	**923.90**
8	Exceptional item		38.59	-	-	-	38.59
9	**Profit before tax (7-8)**		**814.11**	**23.91**	**47.95**	**(0.66)**	**885.31**
10	**Tax expenses**						
	a) Current tax	5	120.67	117.70	-	(0.71)	237.66
	b) Deferred tax charge / (credit)	5, 9 & 17	88.93	(109.42)	9.67	0.05	(10.77)
			209.60	8.28	9.67	(0.66)	226.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

55. FIRST-TIME ADOPTION OF IND AS (contd.)

	Particulars	Foot Notes	Previous GAAP	Ind AS Adjustments: Adjustments within the Total Comprehensive Income	Ind AS Adjustments: measurements	Ind AS Adjustments: JV Reversal (Refer Foot Notes - 19)	Ind AS
11	**Profit for the year (9-10)**		**604.51**	**15.63**	**38.28**	**-**	**658.42**
12	**Other Comprehensive Income (OCI)**						
	(i) Items that will not be reclassified to profit and loss:						
	Re-measurement gain / (loss) on defined benefit plans	9	-	(23.91)	-	-	(23.91)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	9	-	8.28	-	-	8.28
	Other Comprehensive Income for the year, net of tax		-	(15.63)	-	-	(15.63)
13	**Total Comprehensive Income (11+12)**		**604.51**	**-**	**38.28**	**-**	**642.79**
14	Attributable to:						
	Owners of the Company		604.38	15.63	38.28	-	658.29
	Non-controlling interests		0.13	-			0.13
	Profit for the year		604.51	15.63	38.28	-	658.42
15	Other comprehensive income Attributable to:						
	Owners of the Company		-	(15.63)	-	-	(15.63)
	Non-controlling interests		-	-	-	-	-
	Other comprehensive income		**-**	**(15.63)**	**-**	**-**	**(15.63)**
16	Total comprehensive income Attributable to:						
	Owners of the Company		604.38	-	38.28	-	642.66
	Non-controlling interests		0.13	-			0.13
	Total comprehensive income		**604.51**	**-**	**38.28**	**-**	**642.79**

55. FIRST-TIME ADOPTION OF IND AS (contd.)

(v) Effect of adoption of Ind AS on the Consolidated Statement of Cash Flow for the year ended December 31, 2016

` Crore

Particulars	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flow from operating activities	1,390.53	0.20	1,390.73
Net cash used in investing activities	(535.02)	0.50	(534.52)
Net cash used in financing activities	(430.99)	1.11	(429.88)
Net increase / (decrease) in cash and cash equivalents	**424.52**	**1.81**	**426.33**
Cash and cash equivalents at the beginning of the year	1,417.55	(34.25)	1,383.30
Cash and cash equivalents at the end	1,842.07	(32.44)	1,809.63

Analysis of cash and cash equivalents as at December 31, 2016 and as at January 01, 2016 for the purpose of statement of cash flows under Ind AS

` Crore

	Foot Note	As at December 31, 2016	As at January 01, 2016
Cash and cash equivalents for the purpose of statement of cash flows as per Previous GAAP		1,842.07	1,417.55
Ind AS adjustments			
Amount Earmarked for specific purpose was considered as Cash and cash equivalents under Previous GAAP	11	(32.33)	(33.43)
Gain on fair valuation of financial assets measured at FVTPL	13	1.22	0.04
Cash and cash equivalents of Joint venture Company	19	(1.33)	(0.86)
Total Ind AS adjustments		**(32.44)**	**(34.25)**
Cash and cash equivalents for the purpose of statement of cash flows as per Ind AS		1,809.63	1,383.30

Footnotes to the reconciliation to Consolidated Balance Sheet, Equity, Total Comprehensive Income and Statement of cash flows as at January 01, 2016 and December 31, 2016

Classifications

1 (A) Mining Leasehold land

Mining leasehold land which is controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group has been assessed as intangible assets under Ind AS 38 "Intangible assets". Consequent to this change, the carrying value of mining lease hold of ` 24.09 Crore *(January 01, 2016 - ` 25.73 Crore)* is classified as other intangible assets from tangible assets.

(B) Goodwill on consolidation

Goodwill on consolidation of ` 9.69 Crore *(January 01, 2016 - ` 15.57 Crore)* is shown separately on the face of the Balance sheet from other intangible assets.

2 Non current Asset held for sale

Under the Previous GAAP, Group has recorded freehold non mining land of ` 31.00 Crore and buildings of ` 3.46 Crore *(January 01, 2016 - ` 31.00 Crore and ` 3.46 Crore respectively)* as "Fixed assets held for sale" under other current assets which are stated at the lower of their net book value and net realisable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

55. First-time adoption of Ind AS (contd.)

Under Ind AS, non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Since the sale of land and building is not highly probable these are reclassified to Property, plant and equipment as at transition date.

Remaining balance of Fixed assets held for sale of ` 12.07 Crore *(January 01, 2016 - ` 12.87 Crore)* is shown separately under the head "Non-current assets classified as held for sale".

3 Government grants

As per Previous GAAP, government grants in the nature of promoters' contribution were credited to capital reserve and treated as a part of shareholders' funds. Under Ind AS 20 'Government Grants', the grant received in the form of capital subsidy is recognised as deferred income on the date of receipt of grant and recognised as income in the Consolidated Statement of Profit and Loss on a systematic basis over the useful life of related asset. The Group had recognized a grant amounting to ` 15.07 Crore in capital reserve under Previous GAAP. As at transition date, useful life of related asset is already finished and there are no unfulfilled conditions attached to the existing grant therefore, the entire capital subsidy of ` 15.07 Crore is reclassified to retained earning as on transition date under Ind AS. This is the reclassification within equity therefore overall there is no impact on equity.

4 Grossing up of Delcredere

Under Previous GAAP, delcredere balances were netted off from trade receivables. Under Ind AS, trade receivables are a financial asset and criteria for derecognition of financial asset are not met as per guidance under Ind AS 109 'Financial Instruments'. The Group has applied the derecognition requirements for financial assets prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, trade receivables have been grossed up by ` 68.37 Crore with corresponding increase in other financial liabilities (current) as on December 31, 2016.

5 Deferred tax - MAT credit entitlement

Under Previous GAAP, MAT credit was recognised under current tax and asset was disclosed under Long-term loans and advances. In accordance with Ind AS 12 'Income taxes', MAT credit of ` 117.70 Crore as at December 31, 2016 (January 01 2016 - ` Nil) is reclassified under the head Deferred tax liabilities (Net) and MAT credit of ` 117.70 Crore is reclassified from current tax to deferred tax expenses.

6 Excise duty

Under Previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, sale of goods is presented inclusive of excise duty. Excise duty expenses is separately presented on the face of Consolidated Statement of Profit and Loss. Thus sale of goods under Ind AS has increased by ` 1,529.38 Crore with a separate disclosure of excise duty expenses on the face of the Consolidated Statement of Profit and Loss.

Further to above, excise duty expense includes excise duty of ` 4.29 Crore on variation on opening and closing stock recognised under other expenses which has now been regrouped.

7 Cash discount

Under Previous GAAP, cash discount provided to customers was shown as an expense. Under Ind AS, cash discounts are netted off from Revenue. Accordingly, revenue from operations has reduced by ` 76.68 Crore with corresponding reduction in other expenses.

8 Gross vs Net presentation

The Group has entered into arrangement with a Joint venture, Aakaash Manufacturing Company Private Limited (Aakaash) for sale of cement and purchase of Ready Mix Concrete. The Group purchases Ready Mix Concrete from Aakaash and subsequently sells this to customers with a pre-agreed margin. Under Previous GAAP, the Group recorded purchase and sale separately.

Aakaash essentially operates as a risk bearing licensed manufacturer of Ready Mix Concrete in relation to the Group's local sales in Goa region. This is considered as royalty arrangement. Under Ind AS, the Group has recorded the net amount as royalty income. As a result, revenue from operations and purchase of stock-in-trade has reduced by ` 87.65 Crore.

55. FIRST-TIME ADOPTION OF IND AS (contd.)

9 Remeasurements of defined benefits plan

Under Previous GAAP the group recognised actuarial gains and losses in the Consolidated Statement of Profit and Loss. Under Ind AS, all actuarial gains and losses are recognised in the other comprehensive income. Further to the above, the deferred tax impact on above transaction has also been regrouped from Consolidated Statement of Profit and Loss to other comprehensive income as per guidance under Ind AS 12 'Income taxes'. Accordingly, actuarial losses of ` 18.80 Crore and ` 5.11 Crore have been reclassified to other comprehensive income from employee benefits and other expenses respectively. Tax thereon ` 8.28 Crore has been reclassified from deferred tax expenses to other comprehensive income.

10 Classification of Net interest cost as finance cost

Under Previous GAAP, the Group presents net interest cost on employee benefits on account of actuarial valuation under Employee Benefit Expenses. The Group has exercised the option of presenting such net interest cost under Finance costs on transition to Ind AS. Accordingly, employee benefit expenses and other expenses have reduced by ` 4.91 Crore and ` 3.53 Crore respectively, with corresponding increase in finance costs.

11 Other adjustments

To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

Measurements

12 Capitalisation of Spares

Under Previous GAAP, the Group capitalises spares to Property, Plant and Equipment ('PP&E') on date of acquisition and net block was charged off to the Consolidated Statement of Profit and Loss account on issue for consumption. Under Ind AS, these spares meet the definition of Property, Plant and Equipment. Accordingly, spares of ` 28.11 Crore charged off to the Consolidated Statement of Profit and Loss during the year ended December 31, 2016 are restated resulting in increase of PP&E and decrease in consumption of stores and spare parts (other expenses).

13 Fair valuation of investments

Under Previous GAAP, investments in equity instruments and mutual funds were classified as non-current investments and current investments respectively. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss, as determined by the Group in accordance with the principles of Ind AS 109 "Financial Instruments". Accordingly, the resulting difference between the Previous GAAP carrying value and the fair value on transition date related to these investments are recognized in the opening retained earnings and subsequent changes in fair values has been recognized in the Consolidated Statement of Profit and Loss account as stated below:

` Crore

Particulars	For the year ended December 31, 2016	As at December 31, 2016	As at January 01, 2016
Fair valuation of equity investments (non-current investment)	11.30	22.56	11.26
Fair valuation of Mutual funds	1.19	1.22	0.04
TOTAL	**12.49**	**23.78**	**11.30**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

55. FIRST-TIME ADOPTION OF IND AS (contd.)

14 Security deposits

Under Previous GAAP, interest free lease security deposits are recorded at it's transaction value. Under Ind AS 109 "Financial Instruments", all financial assets are required to be initially recognized at fair value. The Group has fair valued a security deposit under Ind AS at its initial recognition. Difference between the fair value and transaction value of the security deposit has been recognized as prepayment lease rental which has been amortised over it's lease term as rent expense grouped under 'other expenses'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income grouped under 'other income'. Consequent to this change, the amount of security deposit decreased by ` 10.81 Crore *(January 01, 2016 ` 13.93 Crore)*. Prepayment lease rental of ` 3.72 Crore *(January 01, 2016 - ` 3.72 Crore)* is included in other current assets and ` 6.49 Crore *(January 01, 2016 - ` 10.21 Crore)* is included in other non-current assets. Accordingly rental expenses of ` 3.72 Crore and notional interest income of ` 3.12 Crore is recognised in the Consolidated Statement of Profit and Loss for the year ended December 31, 2016.

15 Proposed dividend and tax thereon

Under Previous GAAP, dividends proposed by the board of directors after Balance Sheet date but before the approval of the financial statements were considered as adjusting events. However under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting.

Accordingly, the proposed dividend (including dividend distribution tax) as at December 31, 2016 of ` 135.61 Crore *(January 01, 2016 ` 135.58 Crore)* recognized under Previous GAAP was reduced from current provisions with a corresponding impact in the retained earnings.

16 Site restoration expenses

Under Ind AS, Group has made provision for constructive obligation and included under 'provision for site restoration' in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'. Further, non-current provisions are discounted and recognised at present value of future expected expenditure.

Accordingly, a net increase in the site restoration liability of ` 8.36 Crore recognized in the opening retained earnings as on transition date. The unwinding of the discount of ` 1.32 Crore is recognised as a finance cost in the Consolidated Statement of Profit and Loss for the year ended December 31, 2016 with corresponding increase in site restoration liability.

55. FIRST-TIME ADOPTION OF IND AS (contd.)

17 Deferred tax on Ind AS transitional adjustments

Impact on deferred tax of transitional adjustments are as follows:

` Crore

Particulars	For the year ended December 31, 2016	As at December 31, 2016	As at January 01, 2016
Provision for site restoration expenses	(0.47)	(3.36)	(2.89)
Capitalisation of spares	9.73	9.73	-
Deferred tax liability on undistributed profit of Associates and Joint ventures	-	7.83	7.83
Fair valuation of mutual fund	0.41	0.41	-
Deferred tax asset	**9.67**	**14.61**	**4.94**

18 Amortisation of Goodwill

(A) Goodwill on Consolidation

Under Previous GAAP, goodwill on consolidation of Subsidiaries was amortised. Under Ind AS, goodwill is not required to be amortised but needs to be tested for impairment. On the date of transition, there is no change in amount recognised as goodwill since the Group has opted for exemption from retrospective application of accounting of business combinations. The reversal of amortisation expense for the year ended December 31, 2016 has resulted in decrease in depreciation and amortisation expense in the Consolidated Statement of Profit and Loss with a corresponding increase in goodwill on consolidation in the Consolidated Balance Sheet as at December 31, 2016, by ` 5.88 Crore.

(B) Goodwill on investment in associates and Joint venture

Under Previous GAAP, Goodwill resulted at the time accounting of investments in Associates and Joint venture under equity method as on the acquisition date was considered as part of Investments and amortised over a period. Under Ind AS, Goodwill is not required to be amortised.

On the date of transition to Ind AS, there is no change in amount recognised as goodwill since the Group has opted for exemption from retrospective application of accounting of business combinations. The reversal of amortisation expense for the year ended December 31, 2016 has resulted in decrease in other expenses in the Consolidated Statement of Profit and Loss with a corresponding increase in Carrying value of investment in Associates and Joint venture in the Consolidated Balance Sheet as at December 31, 2016, by ` 3.42 Crore.

19 Joint Arrangement

The Group holds 50% interest in OneIndia BSC Private Limited. The Group exercises joint control over the entity. Under Previous GAAP, the group has proportionately consolidated its interest in the entity in the consolidated financial statements.

On transition to Ind AS, the Group has assessed and determined that OneIndia BSC Private Limited is a joint venture under Ind AS 111 “Joint Arrangements”. Accordingly, it is accounted for using the equity method in accordance with Ind AS 28 “Investments in Associates and Joint Ventures”. For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the Group had previously proportionately consolidated.

20 Other comprehensive income

Under Ind AS, all items of income and expense are recognised in the period and included in Consolidated Statement Profit and Loss of the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in the Consolidated Statement Profit and loss but are shown in the Consolidated Statement of Profit and Loss and “other comprehensive income” includes remeasurements of defined benefit plans, net of taxes. The concept of other comprehensive income did not exist under Previous GAAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

56. Additional information as required by Paragraph 2 of the General Instructions for the Preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of consolidated other comprehensive income	Amount ₹ Crore	As % of consolidated total comprehensive income	Amount ₹ Crore
	As at December 31, 2017	As at December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017
Parent								
ACC Limited	100.67	9,418.79	100.41	928.29	105.80	2.37	100.43	930.66
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.12	11.12	0.21	1.90	-	-	0.21	1.90
ACC Mineral Resources Limited	(0.55)	(51.56)	(1.65)	(15.28)	-	-	(1.65)	(15.28)
Lucky Minmat Limited	(0.35)	(32.70)	(0.05)	(0.47)	-	-	(0.05)	(0.47)
National Limestone Company Private Limited	(0.08)	(7.92)	(0.02)	(0.15)	-	-	(0.02)	(0.15)
Singhania Minerals Private Limited	(0.03)	(2.59)	(0.08)	(0.70)	-	-	(0.08)	(0.70)
Non-controlling interests in all subsidiaries	(0.03)	(2.88)	(0.01)	(0.10)	-	-	(0.01)	(0.10)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.09)	(8.49)	0.06	0.52	(0.45)	(0.01)	0.06	0.51
Asian Concretes and Cements Private Limited	0.26	24.33	0.80	7.42	-	-	0.80	7.42
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.02	1.73	0.14	1.26	(4.46)	(0.10)	0.13	1.16
Aakaash Manufacturing Company Private Limited	0.06	6.02	0.19	1.72	(0.89)	(0.02)	0.18	1.70
TOTAL	**100.00**	**9,355.85**	**100.00**	**924.41**	**100.00**	**2.24**	**100.00**	**926.65**

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2017.

NOTE 56 (Contd..)

Additional information as required by Paragraph 2 of the General Instructions for the Preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ` Crore	As % of consolidated profit or loss	Amount ` Crore	As % of consolidated other comprehensive income	Amount ` Crore	As % of consolidated total comprehensive income	Amount ` Crore
	As at December 31, 2016	As at December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016
Parent								
ACC Limited	100.65	8,871.00	104.22	686.12	100.00	(15.63)	104.32	670.49
Subsidiaries								
Indian								
Bulk Cement Corporation (India) Limited	0.13	11.07	0.37	2.44	-	-	0.38	2.44
ACC Mineral Resources Limited	(0.47)	(41.75)	(6.02)	(39.60)	-	-	(6.16)	(39.60)
Lucky Minmat Limited	(0.37)	(32.24)	(0.11)	(0.75)	-	-	(0.12)	(0.75)
National Limestone Company Private Limited	(0.09)	(7.74)	(0.02)	(0.15)	-	-	(0.02)	(0.15)
Singhania Minerals Private Limited	(0.02)	(1.69)	(0.01)	(0.09)	-	-	(0.01)	(0.09)
Non-controlling interests in all subsidiaries	(0.03)	(2.78)	(0.02)	(0.13)	-	-	(0.02)	(0.13)
Associates (Investment as per the equity method)								
Indian								
Alcon Cement Company Private Limited	(0.07)	(5.94)	0.13	0.88	-	-	0.14	0.88
Asian Concretes and Cements Private Limited	0.19	16.91	0.79	5.17	-	-	0.80	5.17
Joint Ventures (Investment as per the equity method)								
Indian								
OneIndia BSC Private Limited	0.01	0.57	0.25	1.66	-	-	0.26	1.66
Aakaash Manufacturing Company Private Limited	0.07	6.02	0.42	2.74	-	-	0.43	2.74
TOTAL	**100.00**	**8,813.43**	**100.00**	**658.29**	**100.00**	**(15.63)**	**100.00**	**642.66**

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

NOTE 56 (Contd.)

Additional information as required by Paragraph 2 of the General Instructions for the Preparation of Consolidated Financial Statements under Division II of Schedule III to the Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities	
	As % of consolidated net assets	Amount ` Crore
	As at January 01, 2016	As at January 01, 2016
Parent		
ACC Limited	100.30	8,580.45
Subsidiaries		
Indian		
Bulk Cement Corporation (India) Limited	0.12	9.88
ACC Mineral Resources Limited	(0.08)	(6.87)
Lucky Minmat Limited	(0.37)	(31.49)
National Limestone Company Private Limited	(0.09)	(7.61)
Singhania Minerals Private Limited	(0.02)	(1.73)
Non-controlling interests in all subsidiaries	(0.03)	(2.65)
Associates (Investment as per the equity method)		
Indian		
Alcon Cement Company Private Limited	(0.06)	(4.78)
Asian Concretes and Cements Private Limited	0.19	16.24
Joint Ventures (Investment as per the equity method)		
Indian		
OneIndia BSC Private Limited	(0.01)	(1.09)
Aakaash Manufacturing Company Private Limited	0.05	4.38
TOTAL	**100.00**	**8,554.73**

Note : The above figures are after eliminating intra group balances as at January 01, 2016.

57. DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

	For the year ended December 31, 2017 ` Crore	For the year ended December 31, 2016 ` Crore
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on December 31, 2016: ` 6 per share *(` 6 per share for 2015)*	112.67	112.65
Dividend distribution tax on final dividend	22.94	22.93
Interim equity dividend ` 11 per share *(previous year - ` 11 per share)*	206.57	206.57
Dividend distribution tax on interim dividend	42.05	42.04
	384.23	**384.19**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on December 31, 2017: ` 15 per share *(previous year - ` 6 per share)*	281.68	112.67
Dividend distribution tax on proposed dividend	57.34	22.94
	339.02	**135.61**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including DDT thereon) as at December 31.

58. GOODWILL ON CONSOLIDATION

Movement in Goodwill on consolidation

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Carrying amount as at beginning of the year	15.57	15.57	15.57
Impairment during the year	-	-	-
Net carrying value as at end of the year	15.57	15.57	15.57

Goodwill of ` 15.57 Crore *(December 31, 2016 - ` 15.57 Crore, January 01, 2016 - ` 15.57 Crore)* relates to acquisition of a business of subsidiary companies. For the purpose of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGUs) :

` Crore

Particulars	As at December 31, 2017	As at December 31, 2016	As at January 01, 2016
Lucky Minmat Limited (LML)	6.42	6.42	6.42
National Limestone Company Private Limited (NLCPL)	5.38	5.38	5.38
Singhania Minerals Private Limited (SMPL)	3.28	3.28	3.28
Bulk Cement Corporation (India) Limited (BCCI)	0.49	0.49	0.49
TOTAL	**15.57**	**15.57**	**15.57**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2017 (contd.)

59. IMPAIRMENT OF GOODWILL ON CONSOLIDATION (contd.)

Of the above CGUs, LML, NLCPL and SMPL are engaged in the business of extracting of limestone. BCCI is in the business of handling of cement.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. In making the said projections, reliance has been placed on current market analysis, estimates of future prices of mineable resources (Limestone), mining leases and assumptions relating to operational performance.

As at December 31, 2017, the cash flows are estimated over the life of respective mines.

Following are the key assumptions considered for value in use calculation:

1. Production of mines is estimated as per the production schedule in the mining plans submitted to the regulatory authorities.
2. Limestone is a commodity for which there is no market existing. Average selling price of the limestone considered based on the information available from the Indian Bureau of Mines ("IBM"). Expected increase in selling price is considered at 3% every year.
3. The cost of production is given an inflation effect of 4% every year for first five years and 3% every year thereafter and royalty rate is increased by 10% in every five year.
4. Weighted average cost of capital (WACC) estimated as 15.98%

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Based on the Group's assessment there is no impairment of goodwill.

59. The Ind AS consolidated opening Balance Sheet and consolidated financial statements for the year ended December 31, 2016 have been audited by S R B C & CO LLP, the predecessor auditor.

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

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

NEERAJ AKHOURY
Managing Director & CEO
DIN: 07419090

SUNIL K. NAYAK
Chief Financial Officer

RAMASWAMI KALIDAS
Company Secretary
FCS - 2440

Mumbai, February 08, 2018

ARUNKUMAR R GANDHI
Director
DIN: 00007597

SUSHIL KUMAR ROONGTA
Director
DIN: 00309302

FARROKH K. KAVARANA
Director
DIN: 00027689

MARTIN KRIEGNER
Director
DIN: 00077715

ASHWIN DANI
Director
DIN: 00009126

FALGUNI NAYAR
Director
DIN: 00003633