To The Members of ACC Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of ACC Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Notes 40(A)(a) and 40(A)(b) of the standalone financial statements which describe the following matters:

a) In terms of order dated August 31, 2016, the Competition Commission of India (CCI) had imposed a penalty of ₹1,147.59 Crore for alleged contravention of the provisions of the Competition Act, 2002 (the Competition Act) by the Company. On the Company's appeal, National Company Law Appellate Tribunal (NCLAT), (which replaced the Competition Appellate Tribunal (COMPAT) effective May 26, 2017), in its order passed on July 25, 2018 had upheld the CCI's Order. The Company's appeal against the said judgment of NCLAT before the Hon'ble Supreme Court was admitted vide its order dated October 05, 2018 with a direction that the interim order passed by the Tribunal would continue.

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

Based on the Company's assessment on the outcome of these appeals supported by the advice of external legal counsel, the Company is of the view that no provision is necessary in respect of these matters in these standalone financial statements. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	Auditor's Responses
1.	**Litigation, Claims and Contingent Liabilities:** Refer Notes 24, 40(A) and 41 to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements) The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses indirect taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.	**Principal audit procedures performed:** • We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims (including claims receivables) and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities. • Examined the Company's legal expenses on sample basis and read the minutes of the board meetings and the legal compliance committee in order to ensure completeness. • We read the correspondence from Court authorities and considered legal opinion obtained by the management from external law firms to evaluate the basis used for provisions recognised or the disclosures made in the standalone financial statements. • We also obtained direct legal confirmations for significant matters from the law firms handling such matters to corroborate management's conclusions.
2.	**Income tax provision:** (Refer Notes 22 and 40(A) of the standalone financial statements) This matter has been identified as a Key Audit Matter due to the significant level of management judgment required in the estimation of provision for income taxes including any write back of provisions, due to the following factors: • Existence of multiple uncertain tax positions leading to multiple disputes/litigations. • Provision for tax involves interpretation of various rules and law. It also involves consideration of on-going disputes and disclosures of related contingencies.	**Principal audit procedures performed:** • Our audit procedures to test uncertain tax positions included understanding processes, evaluation of design and implementation of controls and testing of operating effectiveness of the Company's controls over provision for taxation, assessment of uncertain tax positions and disclosure of contingencies. • Obtained details of completed tax assessments and demands as of December 31, 2021 from the management. • We discussed with appropriate senior management personnel, independently assessed management's estimate of the possible outcome of the disputed cases; and evaluated the management's underlying key assumptions in estimating the tax provisions. • We considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions, the provisions made, and/or write back of the provisions. • We also involved our direct tax specialist in evaluating management's assessment for the uncertain tax positions. • For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Report on Corporate Governance, Business Responsibility Report and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements, and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the

disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on December 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 40(A) in the standalone financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ABAHYZ4041)

Place: Mumbai
Date: February 09, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of ACC Limited ("the Company") as of December 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ABAHYZ4041)

Place: Mumbai
Date: February 09, 2022

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner i.e. at least once every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the registered sale deed/ transfer deed/ conveyance deed/ other documents evidencing title of the Company, we report that, the title deeds, of all the immovable properties of land and buildings which are freehold, other than self-constructed buildings, included in the property, plant and equipment are held in the name of the Company as at the Balance Sheet date, except the following which are not held in the name of the Company as given below:

(₹ in Crore)

Particulars of the land and building	Gross Carrying Value as at December 31, 2021	Net Carrying Value as at December 31, 2021	Remarks
Freehold Land	1.37	1.37	Title deeds are in name of the entities which got merged with the Company.
Buildings	16.45	12.11	
Freehold Land	0.35	0.35	Original title deeds are not available. Copies are available.
Buildings	0.39	0.33	
Buildings	4.45	4.39	The Company is in process to obtain title deeds.
Freehold Mining Land	131.53	131.53	

In respect of immovable properties of land that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement as at Balance Sheet date, except for the following which are not held in the name of the Company as given below:

(₹ in Crore)

Particulars of the land	Gross Carrying Value as at December 31, 2021	Net Carrying Value as at December 31, 2021	Remarks
Leasehold Land	2.34	1.98	Title deeds are in name of the entities which got merged with the Company.
Leasehold Land	1.19	1.00	Original title deeds are not available. Copies are available.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided guarantees to directors or companies in which directors are interested which are covered under Section 185. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for manufacture of cement. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities. Sales Tax, Service Tax, Excise Duty and Value Added Tax are not applicable during the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at December 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, and Goods and Services Tax which have not been deposited as on December 31, 2021 on account of disputes are given below:

(₹ in Crore)

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid
Income Tax Act, 1961	Income Tax and Interest	Commissioner	2012-2013	7.11
			2017-2018	122.73
			2016-2017	2.89
			2018-2019	122.47
		Assessing Officer	2002-2003	0.66
			2019-2020	21.12
Sales Tax/Value Added Tax	Sales Tax, VAT, Penalty and Interest	High Court	1984-2018	131.23
		Appellate Authorities & Tribunal	1984-2018	194.11
		Commissioner	1990-2018	21.38
Central Excise Act, 1944	Excise Duty, Penalty and Interest	Supreme Court	1994-2000	2.34
		High Court	2001-2013	56.84
		Appellate Authorities & Tribunal	1994-2018	123.77
		Commissioner	2001-2018	1.58
Finance Act, 1994	Service Tax, Penalty and Interest	Appellate Authorities & Tribunal	2001-2018	175.63
		Commissioner	2005-2018	38.82
Custom Act, 1962	Custom Duty, Penalty and Interest	Appellate Authorities & Tribunal	2012-2013	0.47
Goods and Services Tax Act, 2017	Goods and Services Tax	High Court	2014-2018	71.60
		Appellate Authorities & Tribunal	2014-2018	0.45

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Saira Nainar
(Partner)
(Membership No. 040081)
(UDIN: 22040081ABAHYZ4041)

Place: Mumbai
Date: February 09, 2022

Balance Sheet
as at December 31, 2021

₹ Crore

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
A. ASSETS			
1) Non-current assets			
a) Property, Plant and Equipment	2	6,518.42	6,482.91
b) Capital work-in-progress		1,240.75	545.30
c) Other Intangible assets	3	49.77	45.80
d) Right of use assets	4	154.61	129.89
e) Investments in subsidiaries, associates and joint ventures	5	174.33	212.43
f) Financial Assets			
(i) Investments	6	18.40	8.20
(ii) Loans	7	6.08	7.59
(iii) Other financial assets	8	913.14	767.41
g) Non-Current Tax Assets (Net)		1,002.11	942.04
h) Other non-current assets	9	594.95	653.86
Total Non-current assets		**10,672.56**	**9,795.43**
2) Current assets			
a) Inventories	10	1,273.31	900.47
b) Financial Assets			
(i) Trade receivables	11	489.18	451.53
(ii) Cash and Cash Equivalents	12	7,247.24	5,734.92
(iii) Bank balances other than Cash and Cash Equivalents	13	156.94	156.17
(iv) Loans	14	7.46	6.68
(v) Other financial assets	15	260.05	319.39
c) Current Tax Assets (Net)		-	71.26
d) Other current assets	16	809.94	687.17
		10,244.12	**8,327.59**
e) Non-current assets classified as held for sale	17	2.33	2.91
Total Current assets		**10,246.45**	**8,330.50**
TOTAL – ASSETS		**20,919.01**	**18,125.93**
B. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	18	187.99	187.99
b) Other Equity	19	14,040.44	12,473.45
Total Equity		**14,228.43**	**12,661.44**
Liabilities			
Non-current liabilities			
a) Financial Liabilities			
Lease Liabilities	20	101.37	83.98
b) Provisions	21	214.30	213.57
c) Deferred tax liabilities (Net)	22	382.74	376.20
Total Non-current liabilities		**698.41**	**673.75**
Current liabilities			
a) Financial Liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises	44	25.33	6.29
Total outstanding dues of creditors other than micro and small enterprises		1,873.88	1,410.01
(ii) Other financial liabilities			
Lease Liabilities		24.21	18.50
Other financial liabilities	23	1,127.20	1,007.34
b) Other current liabilities	24	2,259.57	1,993.10
c) Provisions	25	15.70	15.87
d) Current Tax Liabilities (Net)		666.28	339.63
Total Current liabilities		**5,992.17**	**4,790.74**
Total Liabilities		**6,690.58**	**5,464.49**
TOTAL – EQUITY AND LIABILITIES		**20,919.01**	**18,125.93**
Significant accounting policies	1		
See accompanying notes to the financial statements			

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Statement of Profit and Loss

for the year ended December 31, 2021

₹ Crore

Particulars	Note No.	For the year ended December 31, 2021		For the year ended December 31, 2020
INCOME				
1 Revenue from operations	26	16,151.35		13,784.54
2 Other Income	27	204.76		203.98
3 Total Income (1+2)			**16,356.11**	**13,988.52**
4 EXPENSES				
a) Cost of materials consumed	28	2,120.28		1,673.09
b) Purchase of Stock-in-trade	29	921.19		696.89
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(174.25)		142.41
d) Employee benefits expense	31	834.02		839.07
e) Power and fuel		3,360.80		2,572.38
f) Freight and Forwarding expense	32	3,844.71		3,431.81
g) Finance costs	33	54.63		57.04
h) Depreciation and amortisation expense	34	597.28		635.30
i) Other expenses	35	2,268.65		2,077.76
		13,827.31		**12,125.75**
Captive Consumption of Cement		(24.45)		(1.02)
Total Expenses			**13,802.86**	**12,124.73**
5 Profit before exceptional items and tax (3-4)			**2,553.25**	**1,863.79**
6 Exceptional items				
a) Impairment of investment and assets {Refer Note – 2(3) & 45 (i)}			38.10	176.01
b) Restructuring cost (Refer Note – 56)			54.76	-
7 Profit before tax (5-6)			**2,460.39**	**1,687.78**
8 Tax expense	22			
a) Current tax		635.41		547.38
b) Deferred tax charge/(credit)		4.71		(274.54)
			640.12	**272.84**
9 Profit for the year (7-8)			1,820.27	1,414.94
10 Other Comprehensive Income (OCI)				
(i) Items that will not be reclassified to profit and loss:				
Re-measurement gain/(loss) on defined benefit plans	37		7.27	(6.01)
(ii) Income tax relating to items that will not be reclassified to profit and loss	22		(1.83)	(8.53)
Other Comprehensive Income for the year, net of tax			**5.44**	**(14.54)**
11 Total Comprehensive Income for the year (9+10)			**1,825.71**	**1,400.40**
12 Earnings per equity share of ₹10 each:	36			
Basic ₹			96.93	75.35
Diluted ₹			96.67	75.17
Significant accounting policies	1			
See accompanying notes to the financial statements				

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

MARTIN KRIEGNER
Director
DIN: 00077715

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

YATIN MALHOTRA
Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Statement of Changes in Equity
for the year ended December 31, 2021

A. Equity Share Capital

	Note No.	₹ Crore
As at January 01, 2020	18	187.99
Issue of equity shares		-
As at December 31, 2020	18	187.99
Issue of equity shares		-
As at December 31, 2021	18	**187.99**

B. Other Equity
For the year ended December 31, 2021

₹ Crore

	Reserves and surplus (Refer Note – 19)					
	Capital Reserve	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings	Total Other Equity
As at January 01, 2021	**67.81**	**845.03**	**2,723.30**	**3.29**	**8,834.02**	**12,473.45**
Profit for the year	-	-	-	-	1,820.27	1,820.27
Other Comprehensive Income for the year, net of tax	-	-	-	-	5.44	5.44
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,825.71**	**1,825.71**
Employee Share-based payments (Refer Note – 53)	-	-	-	4.18	-	4.18
Final dividend paid for 2020 (Refer Note – 52)	-	-	-	-	(262.90)	(262.90)
As at December 31, 2021	**67.81**	**845.03**	**2,723.30**	**7.47**	**10,396.83**	**14,040.44**

Statement of Changes in Equity

for the year ended December 31, 2021

For the year ended December 31, 2020

₹ Crore

	Reserves and surplus (Refer Note – 19)					
	Capital Reserve	Securities Premium	General Reserve	Capital contribution from parent	Retained Earnings	Total Other Equity
As at January 01, 2020	**67.81**	**845.03**	**2,723.30**	**0.63**	**7,696.52**	**11,333.29**
Profit for the year	-	-	-	-	1,414.94	1,414.94
Other Comprehensive Income for the year, net of tax	-	-	-	-	(14.54)	(14.54)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,400.40**	**1,400.40**
Employee Share-based payments (Refer Note – 53)	-	-	-	2.66	-	2.66
Interim dividend paid for 2019 (Refer Note – 52)	-	-	-	-	(262.90)	(262.90)
As at December 31, 2020	**67.81**	**845.03**	**2,723.30**	**3.29**	**8,834.02**	**12,473.45**

See accompanying notes to the financial statements

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

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

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Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Statement of Cash Flow

for the year ended December 31, 2021

₹ Crore

Particulars	Note no.	For the year ended December 31, 2021	For the year ended December 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax		2,460.39	1,687.78
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	34	597.28	635.30
Impairment of investment in Subsidiary Company	5	38.10	-
Impairment of assets	2	-	176.01
Provision for restructuring cost		47.42	-
Expected credit loss on non current financial assets	35	-	128.92
(Profit)/ Loss on sale/ write-off of Property, Plant and Equipment and Other Intangible assets (net)	35 & 27	(1.68)	10.96
Gain on termination of leases	27	(0.61)	(2.38)
Gain on sale of current financial assets measured at FVTPL	27	(8.41)	(14.82)
Gain on sale of investment in Subsidiary Company	27	-	(3.94)
Dividend income	27	(1.56)	(0.29)
Interest income	27	(192.27)	(182.43)
Finance costs	33	54.63	57.04
Impairment losses/(reversal) on trade receivables (net)	35	(10.87)	37.34
Provision for slow and non moving Stores & Spares (net)	10	6.85	7.96
Provision no longer required written back	26	(7.33)	(5.80)
Net gain on fair valuation of current financial assets measured at FVTPL	27	(0.23)	(0.12)
Employee share-based payments	31	4.18	2.66
Fair Value movement in Derivative Instruments		-	0.28
Unrealised exchange loss (net)		0.90	0.34
Operating profit before working capital changes		**2,986.79**	**2,534.81**
Changes in Working Capital:			
Adjustments for Decrease/(Increase) in operating assets:			
(Increase)/Decrease in Inventories	10	(379.69)	232.52
(Increase)/Decrease in Trade receivable	11	(26.78)	139.56
Increase in other assets	8, 9, 15 -17	(190.75)	(67.95)
Adjustments for Increase/(Decrease) in operating liabilities:			
Increase/(Decrease) in Trade payables		489.34	(49.21)
Decrease in Provisions	21 & 25	(2.68)	(49.31)
Increase in Other liabilities	23-24	240.28	181.55
Cash generated from operations		**3,116.51**	**2,921.97**
Direct taxes paid including interest on Income tax - (Net of refunds)		(284.89)	(706.40)
Net Cash flow from operating activities		**2,831.62**	**2,215.57**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Loans to subsidiary companies	42	(0.04)	(0.21)
Purchase of Property, Plant and Equipment and Other Intangible assets (Including Capital work-in-progress and Capital Advances)			
Capex for increases in operating capacity		(612.92)	(409.30)
Capex for efficiency improvement and maintaining operating capacity		(559.97)	(336.54)
Proceeds from sale of Property, Plant and Equipment and Other Intangible assets		22.02	0.68
Proceeds from sale of investment in Subsidiary Company		-	20.00
Investment in Equity shares	6	(10.20)	(4.50)
Net proceeds from sale of mutual funds		8.41	14.82
Investment in bank and margin money deposits (having original maturity for more than 12 months)	8	(13.46)	(3.81)
Redemption of bank and margin money deposits (having original maturity for more than 12 months)	8	6.42	1.40
Investment in bank and margin money deposits (having original maturity for more than 3 months)	13	(10,252.46)	(7,238.00)

Statement of Cash Flow

for the year ended December 31, 2021

₹ Crore

Particulars	Note no.	For the year ended December 31, 2021	For the year ended December 31, 2020
Redemption of bank and margin money deposits (having original maturity for more than 3 months)	13	10,247.00	7,234.32
Investment in certificate of deposits		-	(750.00)
Redemption of certificate of deposits		-	750.00
Dividend received from Associate/Joint venture	27	1.56	0.29
Interest received		174.63	184.26
Net cash used in investing activities		**(989.01)**	**(536.59)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(31.63)	(39.87)
Payment of Lease Liabilities (Refer Note – 38 (II) for reconciliation of liabilities)		(35.99)	(24.59)
Dividend paid	52	(262.90)	(262.90)
Net cash used in financing activities		**(330.52)**	**(327.36)**
Net increase in cash and cash equivalents		**1,512.09**	**1,351.62**
Add: Cash and cash equivalents at the beginning of the year	12	5,734.92	4,383.18
Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL	27	0.23	0.12
Cash and cash equivalents at the end of the year	12	**7,247.24**	**5,734.92**
See accompanying notes to the financial statements			

Notes:

1. Cash flow statement has been prepared under the indirect method as set out in Ind AS – 7 on Cash Flow Statements.
2. Refer Note 43 for Cash flows arising from the reportable segments.

In terms of our report attached

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

SAIRA NAINAR
Partner
Membership No. 040081

Mumbai, February 09, 2022

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

N. S. SEKHSARIA
Chairman
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Chief Financial Officer

NEERAJ AKHOURY
Director
DIN: 07419090

RAJIV CHOUBEY
Company Secretary
ACS: 13063

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

Corporate Information

ACC Limited (the 'Company') is a public Company domiciled in India and was incorporated on August 01, 1936 under the provisions of the Companies Act, 1913 applicable in India. Its shares are listed on The National Stock Exchange of India (NSE) and The Bombay Stock Exchange Ltd (BSE) of India. The registered office of the Company is located at Cement House, 121, Maharshi Karve Road, Mumbai – 400 020, India.

ACC Limited, a member of the Holcim Group (Erstwhile LafargeHolcim), is principally engaged in the business of manufacturing and selling of Cement and Ready-Mix Concrete. The Company has manufacturing facilities across India and caters mainly to the domestic market.

1. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of Compliance

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

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on February 09, 2022

II. Basis of Preparation

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

a) Certain financial assets and liabilities are measured at fair value (Refer Note 1(X) for accounting policy on Financial Instruments);

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

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

d) Employee share-based payments measured at fair value.

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

The accounting policies have been applied consistently over all the periods presented in these financial statements.

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

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

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

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

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

III. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company.

Rounding of amounts

All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest Crore as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of Financial Statements".

Assets:

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

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

b) it is held primarily for the purpose of trading;

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

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

Liabilities:

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

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

b) it is held primarily for the purpose of trading;

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

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

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

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

V. Property, Plant and Equipment

Recognition and measurement

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

Cost comprises the purchase price (net of trade discount and rebates), including import duties and non-refundable purchase taxes (net of taxes credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use, including relevant borrowing costs. Expenditures directly attributable to self-constructed assets during its construction period are capitalised if the recognition criteria are met.

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

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

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

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

d) Spares which meet the definition of Property, Plant and Equipment are capitalised as on the date of acquisition. The corresponding old spares are decapitalised on such date with consequent impact in the Statement of Profit and Loss.

e) Property, Plant and Equipment not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at cost less accumulated impairment loss, if any. Such items are classified to the appropriate category of Property, Plant and Equipment when completed and ready for intended use. Advances given towards acquisition/construction of Property, Plant and Equipment outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other non-current assets".

f) The accounting policy related to Leases has been disclosed in Note 1 (XXI)

Depreciation and amortisation

a) Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in the proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves. The estimated extractable mineral reserves are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis. Freehold non-mining land is not depreciated.

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

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

The estimated useful lives are as follows:

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

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

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

The Management believes that the useful lives as given above represents the period over which the assets are likely to be used.

c) Depreciation on additions to Property, Plant and Equipment is provided on a pro rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.

d) Depreciation on an item of Property, Plant and Equipment sold, discarded, demolished or scrapped, is provided up to the date on which such item of Property, Plant and Equipment is sold, discarded, demolished or scrapped.

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

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

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

Derecognition

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss under “Other Income/Other Expenses” when the asset is derecognised.

VI. Intangible Assets

Recognition and Measurement:

Mining rights and computer software acquired are measured on initial recognition at cost. Cost comprises the purchase price (net of tax/duty credits availed wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use.

Stripping cost

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to limestone, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the limestone body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

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

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an item of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of such item of intangible asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

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

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

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

VII. Impairment of Non-Financial Assets

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

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

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

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

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

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

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

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

VIII. Business Combinations and Goodwill

The Company uses the acquisition method of accounting to account for business combinations. The Company measures goodwill as of the acquisition date at the difference of the fair value consideration transferred (including fair value of previously held interest and contingent consideration) less the net fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed. When such difference results into deficit, the excess is recognised in equity as capital reserve.

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

Transaction costs that the Company incurs in connection with a business combination are expensed as incurred.

IX. Inventories

Inventories are valued after providing for obsolescence, as follows:

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

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

b) **Work-in-progress, Finished Goods and Stock-in-Trade**

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

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

X. Financial Instruments

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

a) Financial assets

The Company's financial assets comprise the following:

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

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

Initial recognition and measurement

The Company recognises a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

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

Subsequent measurement of financial assets

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

i. **Financial assets at amortised cost**

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

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

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

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

ii. **Financial assets at fair value through other comprehensive income (FVTOCI) unless the same are designated as FVTPL**

A 'debt instrument' is classified as at the FVTOCI unless the same are designated as FVTPL, if both of the following criteria are met:

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

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

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

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

Debt instrument at FVTPL

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

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

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

Equity instruments

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

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

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

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

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Any changes therein are recognised in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company does not hold derivative financial instruments for speculative purposes.

Derecognition of financial asset

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

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

  i. the Company has transferred substantially all the risks and rewards of the asset, or

  ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

Impairment of financial assets

In accordance with Ind AS 109 "Financial Instruments", the Company applies Expected Credit

Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

b) Trade receivables other receivables (including incentive receivable from Government).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind AS 115 "Revenue from Contracts with Customers", if they do not contain a significant financing component.

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

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

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

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

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

b) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

The Company's financial liabilities mainly comprise (a) trade payables, (b) liability for capital expenditure, (c) security deposit, (d) other payables (e) Lease liabilities and (f) forward contract.

Initial recognition and measurement

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

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

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

Subsequent measurement

Financial liabilities at amortised cost

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

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

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

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

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

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

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

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

Derecognition of financial liabilities
A financial liability (or, where applicable, a part of a financial liability or part of a group of similar financial liability) is primarily derecognised (i.e. removed from the Company's financial statements) when, and only when, the obligation under the liability is discharged or cancelled or expired.

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

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

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

XI. Effective Interest Method

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

XII. Investment in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

XIII. Provisions and Contingencies

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

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

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

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

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

XIV. Site Restoration and Other Environmental Provisions

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

The site restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipment and depreciated over the life of the related asset.

The effect of any adjustments to the provision due to further environmental damage as a result of exploitation activities is recorded through the Statement of Profit and Loss over the life of the related asset, in order to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

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

All provisions are discounted to their present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit and Loss.

XV. Foreign Currency Transactions/Translations

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

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

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

XVI. Revenue Recognition

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

Sale of goods

Revenue from the sale of the Company's core products Cement and Ready-Mix Concrete is recognised when delivery has taken place and control of the goods has been transferred to the customer, and when there are no longer any unfulfilled obligations.

The customer obtains control of the goods when the significant risks and rewards of products sold are transferred to the customer, being at the point the goods are delivered to and accepted by the customer, according to the specific delivery terms that have been agreed with the customer.

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

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

Contract Balances

Trade receivables

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

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

Contract liabilities

Contract liabilities, which is a company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in Note no. 24. Contract liabilities are recognised as revenue when the Company performs under the contract.

Rendering of services

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

Interest income and royalties

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

Dividends

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

XVII. Retirement and Other Employee Benefits

a) Short-term employee benefits

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

b) Defined Contribution Plans

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

c) Defined Benefit Plans

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

Provident Fund

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

Defined benefit costs are categorised as follows:

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

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

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

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

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

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

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

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

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

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

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

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

h) **Employee share-based payments**
The Ultimate holding Company of the Company operates various equity-settled performance share plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity settled transactions is recognised in the Statement of Profit and Loss, together with a corresponding increase in equity, representing contribution received from the ultimate holding company, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the Statement of Profit and Loss for a period represents movement in the cumulative expenses recognised as at the beginning and end of that period.

In case of forfeiture/lapse stock option, which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee Stock Options Outstanding Account / Capital Contribution from Parent is transferred to other equity.

Notes to the Financial Statements

for the year ended December 31, 2021

XVIII. Non-current assets held for sale

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

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

XIX. Borrowing Costs

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

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

XX. Taxation

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

Current income tax

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

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

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

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

XXI. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of an identified asset;

ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Company has the right to direct the use of the asset.

Company as a lessee:

Right-of-use assets ("ROU")

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset and the average lease terms are as follows:

Right of use assets	Average (Range) lease terms (in years)
Buildings	8
Land	8 – 99
Machines	6
Furniture and Vehicles	5

The right of use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payments which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the Statement of Profit or Loss.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease term

The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

Presentation

Lease liability and ROU asset have been separately presented in the Balance Sheet and related cash flows are classified as financing activities in the Statement of Cash Flows.

Deferred tax on the deductible temporary difference and taxable temporary differences in respect of carrying value of right of use assets and lease liability and their respective tax bases are recognised separately.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (in the range of ₹4,00,000 to ₹16,00,000 for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. The related cash flows are classified as operating activities in the Statement of Cash Flows.

Company as a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

XXII. Segment Reporting

Identification of segments

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

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

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

Allocation of common costs

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

Inter-segment transfers

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

Unallocated items

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

Segment Policies

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

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

XXIII. Cash and Cash Equivalents

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

XXIV. Government Grants and Subsidies

a) Grants and subsidies from the Government are recognised when the Company will comply with all the conditions attached to them and there is a reasonable assurance that the grant/subsidy will be received.

b) Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment are recognised in the Statement of Profit and Loss in the period in which they become receivable.

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

d) Where the grant or subsidy relates to an asset, it is presented in the balance sheet by setting up the grant as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

XXV. Earnings Per Share

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

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

XXVI. Exceptional items:

An item of income or expense which by its size, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed separately in the financial statements.

XXVII. Use of Estimates and Judgements

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

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

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

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

Impairment of non-financial assets

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

Leases

Ind AS 116 Leases requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Defined benefit plans

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

Provisions

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

Contingencies

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

Useful lives of Property, Plant and Equipment

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

Impairment of investments in subsidiaries, associates and joint ventures

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

Incentives under the State Industrial Policy

The Company's manufacturing units in various states are eligible for incentives under the respective State Industrial Policy. The Company accrues these incentives as refund claims in respect of VAT/GST paid, on the basis that all attaching conditions were fulfilled by the Company and there is reasonable assurance that the incentive claims will be disbursed by the State Governments.

The Company measures expected credit losses in a way that reflects the time value of money. Any subsequent changes to the estimated recovery period could impact the carrying value of Incentives receivable.

XXVIII. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from January 01, 2022.

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting January 01, 2022.

NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Refer Note 1 (V) for accounting policy on Property, Plant and Equipment.

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				ACCUMULATED IMPAIRMENT			NET CARRYING VALUE	
	As at January 01, 2021	Additions	Disposals/ Adjustments	As at December 31, 2021	As at January 01, 2021	Depreciation charge for the year	Disposals/ Adjustments	As at December 31, 2021	As at January 01, 2021	Transfer from Capital work in progress (Refer Note - 3 below)	As at December 31, 2021	As at December 31, 2021	As at December 31, 2020
Tangible Assets													
Freehold Non-Mining Land	138.24	1.03	-	139.27	-	-	-	-	-	-	-	139.27	138.24
Freehold Mining Land	343.92	7.91	-	351.83	1.26	0.23	-	1.49	-	-	-	350.34	342.66
Buildings	1,765.08	112.69	6.94	1,870.83	363.42	80.27	2.88	440.81	29.27	4.11	33.38	1,396.64	1,372.39
Plant and Equipment	6,870.76	487.77	45.74	7,312.79	2,367.59	439.40	23.52	2,783.47	116.75	10.52	127.27	4,402.05	4,386.42
Railway Sidings	272.62	8.55	-	281.17	96.87	21.65	-	118.52	1.43	-	1.43	161.22	174.32
Furniture and Fixtures	33.22	1.35	0.29	34.28	18.22	2.96	0.22	20.96	0.27	0.03	0.30	13.02	14.73
Vehicles	94.88	6.23	1.09	100.02	47.85	10.59	0.87	57.57	10.14	-	10.14	32.31	36.89
Office equipment	70.40	17.78	3.73	84.45	52.61	11.41	3.67	60.35	0.53	-	0.53	23.57	17.26
Total	**9,589.12**	**643.31**	**57.79**	**10,174.64**	**2,947.82**	**566.51**	**31.16**	**3,483.17**	**158.39**	**14.66**	**173.05**	**6,518.42**	**6,482.91**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at January 01, 2020	Additions	Disposals/ Adjustments	As at December 31, 2020	As at January 01, 2020	Depreciation charge for the year	Impairment losses recognised in the year (Refer Note – 3 below)	Disposals/ Adjustments	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Tangible Assets											
Freehold Non-Mining Land	134.40	3.84	-	138.24	-	-	-	-	-	138.24	134.40
Freehold Mining Land	340.30	3.62	-	343.92	1.04	0.22	-	-	1.26	342.66	339.26
Leasehold Land (Refer Note – 4 below)	39.47	-	39.47	-	1.86	-	-	1.86	-	-	37.61
Buildings	1,710.83	64.05	9.80	1,765.08	288.21	82.63	29.27	7.42	392.69	1,372.39	1,422.62
Plant and Equipment	6,684.47	231.05	44.76	6,870.76	1,926.79	476.68	116.75	35.88	2,484.34	4,386.42	4,757.68
Railway Sidings	256.16	16.46	-	272.62	75.15	21.72	1.43	-	98.30	174.32	181.01
Furniture and Fixtures	28.86	4.88	0.52	33.22	15.51	3.11	0.27	0.40	18.49	14.73	13.35
Vehicles	88.22	8.44	1.78	94.88	37.90	10.79	10.14	0.84	57.99	36.89	50.32
Office equipment	65.72	5.67	0.99	70.40	44.69	8.88	0.53	0.96	53.14	17.26	21.03
Total	**9,348.43**	**338.01**	**97.32**	**9,589.12**	**2,391.15**	**604.03**	**158.39**	**47.36**	**3,106.21**	**6,482.91**	**6,957.28**

Notes to the Financial Statements

for the year ended December 31, 2021

Notes:

1. Buildings include cost of shares ₹12,050 *(Previous year – ₹34,600)* in various Co-operative Housing Societies, in respect of 8 *(Previous year – 17)* residential flats.

2. a) The Company is in the process of obtaining the title deeds of Freehold mining land of ₹131.53 Crore *(Previous year – ₹131.53 Crore*) and Building amounting to net block of ₹4.39 core *(Previous year – ₹ NIL)* which is included in Property, Plant and Equipment.

   b) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company except for 1 case of leasehold land (under ROU assets) amounting to net block of ₹1.98 Crore *(Previous year – ₹2.04 Crore)*, 2 cases of freehold land amounting to net block of ₹1.37 Crore *(Previous year – ₹1.37 Crore)* and 2 cases of Buildings amounting to net block of ₹12.11 Crore (*Previous year – ₹11.18 Crore)* respectively as at December 31, 2021 for which title deeds are in the name of the erstwhile Company that merged with the Company.

3. During the previous year, considering lower profitability due to higher input cost, the Company had suspended part of it's operations at Madukkarai plant. The Company carried out a review of the recoverable amount of the tangible assets and capital work in progress used in the cement manufacturing facility at Madukkarai. The recoverable amount from such tangible assets and capital work in progress at Madukkarai plant was assessed to be lower than it's total carrying amount and consequently an impairment loss of ₹176.01 Crore (including Capital work in progress ₹17.62 Crore) was recognised and disclosed as an exceptional item. The discount rate used in measuring recoverable value was 10.64 per cent per annum. The future cash flows are derived from the detailed budgets and forecast for the next three years. Steady growth rate of 4 per cent per annum is applied beyond the forecast period. There is no change on re-assessment in the current year.

   In the current year out of the total impairment charge of ₹17.62 Crore on Capital work in progress, provision of ₹14.66 Crore has been transferred to tangible assets on capitalisation.

4. Upon introduction of Ind AS 116 Leases effective January 01, 2020, all Finance Lease assets identified under the earlier Ind AS 17 Leases, were reclassified to Right of use assets.

5. Capital work-in-progress as at December 31, 2021 is ₹1,240.75 Crore *(Previous year – ₹545.30 Crore)* comprises of expansions projects and others various projects.

   Major Capital Work-in-Progress are related to following projects:

   ₹ Crore

Project	2021	2020
Greenfield integrated cement plant in Ametha	433.26	65.14
Expansion of the existing grinding unit in Tikaria	253.26	10.63
Expansion of the existing grinding unit in Sindri	-	168.36
Waste Heat Recovery System (WHRS)	128.17	38.08
Efficiency improvement and maintaining operating capacity	426.05	263.10
Total	**1,240.74**	**545.31**

   There are no projects where activity has been suspended.

   Refer Note – 48 for the amount of expenditures recognised in the carrying amount of Property, Plant and Equipment/ Capital work-in-progress (CWIP) in the course of its construction.

6. Depreciation charge for the year include ₹0.07 Crore *(Previous year – ₹ Nil)* capitalised as pre-operative expenses (Refer Note – 48).

7. For contractual commitment with respect to Property, Plant and Equipment, Refer Note – 39.

NOTE 3: OTHER INTANGIBLE ASSETS

Refer Note 1 (VI) for accounting policy on Intangible Assets.

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Amortisation charge for the year	Disposals	As at December 31, 2021	As at December 31, 2021	As at December 31, 2020
Intangible Assets										
Computer Software	3.76	2.59	0.03	6.32	2.73	1.31	0.03	4.01	2.31	1.03
Mining Rights	60.65	6.61	-	67.26	15.88	3.92	-	19.80	47.46	44.77
Total	**64.41**	**9.20**	**0.03**	**73.58**	**18.61**	**5.23**	**0.03**	**23.81**	**49.77**	**45.80**

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED AMORTISATION				NET CARRYING VALUE	
	As at January 01, 2020	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Amortisation charge for the year	Disposals	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Intangible Assets										
Computer Software	2.74	1.02	-	3.76	2.54	0.19	-	2.73	1.03	0.20
Mining Rights	46.06	14.59	-	60.65	12.17	3.71	-	15.88	44.77	33.89
Total	**48.80**	**15.61**	**-**	**64.41**	**14.71**	**3.90**	**-**	**18.61**	**45.80**	**34.09**

NOTE 4: RIGHT OF USE ASSETS

Refer Note 1 (XXI) for accounting policy on Leases.

₹ Crore

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	As at January 01, 2021	Additions	Disposals	As at December 31, 2021	As at January 01, 2021	Depreciation charge for the year	Disposals	As at December 31, 2021	As at December 31, 2021	As at December 31, 2020
Land	111.02	31.01	2.18	139.85	13.96	13.34	2.18	25.12	114.73	97.06
Buildings	4.95	-	1.06	3.89	1.46	0.70	1.06	1.10	2.79	3.49
Plant and Equipment	39.35	20.36	4.03	55.68	10.29	11.41	2.99	18.71	36.97	29.06
Vehicles	0.44	-	-	0.44	0.16	0.16	-	0.32	0.12	0.28
Total	**155.76**	**51.37**	**7.27**	**199.86**	**25.87**	**25.61**	**6.23**	**45.25**	**154.61**	**129.89**

₹ Crore

Particulars	GROSS CARRYING VALUE					ACCUMULATED DEPRECIATION					NET CARRYING VALUE	
	As at January 01, 2020	Reclassified on account of Ind AS 116	Additions	Disposals	As at December 31, 2020	As at January 01, 2020	Reclassified on account of Ind AS 116	Depreciation charge for the year	Disposals	As at December 31, 2020	As at December 31, 2020	As at December 31, 2019
Land	69.69	39.47	6.93	5.07	111.02	-	1.86	12.95	0.85	13.96	97.06	-
Buildings	5.03	-	-	0.08	4.95	-	-	1.46	-	1.46	3.49	-
Plant and Equipment	56.45	-	1.27	18.37	39.35	-	-	12.80	2.51	10.29	29.06	-
Vehicles	0.44	-	-	-	0.44	-	-	0.16	-	0.16	0.28	-
Total	**131.61**	**39.47**	**8.20**	**23.52**	**155.76**	**-**	**1.86**	**27.37**	**3.36**	**25.87**	**129.89**	**-**

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 5: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (MEASURED AT COST)

Refer Note 1 (XII) for accounting policy on Investment in subsidiaries, associates and joint ventures.

	As at December 31, 2021		As at December 31, 2020	
	Numbers	₹ Crore	Numbers	₹ Crore
Investment in Unquoted equity instruments				
Investment in subsidiaries				
Face value ₹10 each fully paid				
Bulk Cement Corporation (India) Limited (94.65% shareholding)	3,18,42,050	37.27	3,18,42,050	37.27
Singhania Minerals Private Limited (100% shareholding)	5,20,000	5.50	5,20,000	5.50
Face value ₹100 each fully paid				
Lucky Minmat Limited (100% shareholding)	3,25,000	38.10	3,25,000	38.10
Less: Impairment		38.10		-
{Refer Note – 45 (i)}		-		**38.10**
ACC Mineral Resources Limited (100% shareholding)	1,21,95,000	106.80	1,21,95,000	106.80
Less: Accumulated impairment		42.81		42.81
{Refer Note – 45 (ii)}		**63.99**		**63.99**
Investment in Associates				
Face value ₹10 each fully paid				
Alcon Cement Company Private Limited (40% shareholding)	4,08,001	22.25	4,08,001	22.25
Asian Concretes and Cements Private Limited (45% shareholding)	81,00,000	36.81	81,00,000	36.81
Investment in Joint Ventures				
Face value ₹10 each fully paid				
Aakaash Manufacturing Company Private Limited (40% shareholding)	4,401	6.01	4,401	6.01
OneIndia BSC Private Limited (50% shareholding) {Refer Note – 45 (iii)}	25,01,000	2.50	25,01,000	2.50
Total		**174.33**		**212.43**

Notes:

		2021	2020
(I)	Aggregate amount of unquoted Investments	174.33	212.43
(II)	Aggregate amount of impairment in value of investments in unquoted equity shares	80.91	42.81

(III) Each of the above Companies is incorporated in India and Principal activities are Cement and cement related products and services.

NOTE 6: NON-CURRENT – INVESTMENTS

Refer Note 1 (X) for accounting policy on Investments.

	As at December 31, 2021			As at December 31, 2020	
	Numbers		₹ Crore	Numbers	₹ Crore
Investment at fair value through profit or loss (FVTPL)					
Investment in equity instruments (fully paid)					
Unquoted					
Face value ₹10 each fully paid					
Solbridge Energy Private Limited (Refer Note – II below)	80,23,803	10.20		-	-
Amplus Green Power Private Limited (Refer Note – III below)	25,78,592	4.50		25,78,592	4.50
Kanoria Sugar & General Mfg. Company Limited*	4	-		4	-
Gujarat Composites Limited*	60	-		60	-
Rohtas Industries Limited*	220	-		220	-
The Jaipur Udyog Limited*	120	-		120	-
Digvijay Finlease Limited*	90	-		90	-

	As at December 31, 2021			As at December 31, 2020	
	Numbers		₹ Crore	Numbers	₹ Crore
The Travancore Cement Company Limited*	100	-		100	-
Ashoka Cement Limited*	50	-		50	-
Face value ₹5 each fully paid					
The Sone Valley Portland Cement Company Limited*	100	-		100	-
Investment at amortised cost			**14.70**		**4.50**
Investment in Unquoted bonds					
Face value ₹1,000,000 each fully paid					
5.13% Himachal Pradesh Infrastructure					
Development Board Bonds	37	3.70	3.70	37	3.70
Total			**18.40**		**8.20**

Notes:

(I) Aggregate value of unquoted investments. 18.40 8.20

(II) During the year, the Company has subscribed 80,23,803 equity shares in Solbridge Energy Private Limited (SEPL) representing 19.06% holding for a total consideration of ₹10.20 Crore. The SEPL has set up a solar power plant in the State of Chhattisgarh of which the Company's Jamul plant would be one of the consumers.

(III) During the previous year, the Company subscribed 25,78,592 equity shares in Amplus Green Power Private Limited (AGPPL) representing 5.63% holding for a total consideration of ₹4.50 Crore. The AGPPL has set up a solar power plant in the State of Uttar Pradesh of which the Company's Tikaria plant is one of the consumers.

(IV) *Each of such investments is carried at value less than ₹50,000.

Refer Note 49 for information about fair value measurement and Note 50 for credit risk and market risk of investments.

NOTE 7: NON-CURRENT LOANS

Considered good – unsecured

Refer Note 1 (X) for accounting policy on Loans.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Loans to Employees	6.08	7.59
Total	**6.08**	**7.59**

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

Refer Note 50 for information about credit risk and market risk of loans.

NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

Refer Note 1 (X) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Incentives under Government schemes (Net) {Refer Note – 50(i)}	717.09	606.56
Security deposits	149.92	121.76
Bank deposits with more than 12 months maturity*	31.60	30.84
Margin money deposit with more than 12 months maturity**	14.53	8.25
Total	**913.14**	**767.41**

*Lodged as security with government authorities of ₹31.44 Crore *(Previous year – ₹30.58 Crore).*

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

Refer Note 50 for information about credit risk and market risk of other financial assets.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 9: OTHER NON-CURRENT ASSETS
Unsecured, Considered Good, unless otherwise stated

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Capital Advances	288.76	348.56
Advance other than Capital Advances		
Claim receivables from Government and Others		
Unsecured, considered good	30.07	14.24
Considered doubtful	4.21	4.21
Less: Allowance for doubtful deposits	(4.21)	(4.21)
	30.07	**14.24**
Deposits with Government Bodies and Others		
Unsecured, considered good	276.12	291.06
Considered doubtful	3.33	3.33
Less: Allowance for doubtful deposits	(3.33)	(3.33)
	276.12	**291.06**
Total	**594.95**	**653.86**

NOTE 10: INVENTORIES
At lower of cost and net realisable value.

Refer Note 1 (IX) for accounting policy on Inventories.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Raw Materials {Including goods-in-transit ₹9.09 Crore *(Previous year – ₹2.70 Crore)*}	165.56	115.54
Work-in-Progress	302.98	147.84
Finished Goods	129.19	111.74
Stock-in-trade {Including goods-in-transit ₹ Nil *(Previous year – ₹4.37 Crore)*}	16.14	14.48
Stores and Spares {Including goods-in-transit ₹12.70 Crore *(Previous year – ₹13.99 Crore)*}	213.72	248.94
Packing Materials	40.42	24.07
Fuels {Including goods-in-transit ₹100.05 Crore *(Previous year – ₹10.69 Crore)*}	405.30	237.86
Total	**1,273.31**	**900.47**

The Company follows suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving Stores and Spares in the current year is ₹6.85 Crore *(Previous year – ₹7.96 Crore)*. There has been no reversal of such write down in current and previous year.

NOTE 11: TRADE RECEIVABLES
Refer Note 1 (X) for accounting policy on Trade receivables.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Considered good – Secured	21.53	35.95
Considered good – Unsecured*	467.65	415.58
Receivables which have significant increase in credit risk {Refer Note 50(i)}	55.29	67.29
	544.47	**518.82**
Less : Allowance for doubtful receivables	(55.29)	(67.29)
Total	**489.18**	**451.53**

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

*Refer Note 42 for receivables from related parties.

Refer Note 50 for information about credit risk of trade receivables.

NOTE 12: CASH AND CASH EQUIVALENTS

Refer Note 1 (XXIII) for accounting policy on Cash and Cash Equivalents.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Balances with banks:		
In current accounts	144.65	139.92
Deposits with original maturity of less than three months	6,507.35	4,764.90
	6,652.00	**4,904.82**
Deposit with other than banks with original maturity of less than three months	250.00	250.00
Post office saving accounts	0.01	0.01
	6,902.01	**5,154.83**
Investments in liquid mutual funds measured at FVTPL	345.23	580.09
Total	**7,247.24**	**5,734.92**

As at December 31, 2021, the Company has sanctioned and available undrawn borrowing facilities of ₹130.80 Crore *(Previous year – ₹130.80 Crore)*. There are no restrictions on the use of these facilities. The amount of undrawn borrowing facilities are available for future operating activities and to settle capital commitments.

NOTE 13: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Refer Note 1 (X) for accounting policy on Bank balances other than Cash and Cash Equivalents.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	131.83	127.68
**Margin money deposits with original maturity for more than 3 months but less than 12 months	1.31	-
# On unpaid dividend accounts	23.80	28.49
Total	**156.94**	**156.17**

Includes fixed deposit with lien in favour of National Company Law Appellate Tribunal (NCLAT) of ₹131.83 Crore {(Previous year – ₹127.68 Crore)* – Refer Note – 40 (A) (a)}.

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

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

NOTE 14: CURRENT – LOANS

Considered good – unsecured

Refer Note 1 (X) for accounting policy on Loans.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Loans and advances to related parties (Refer Note – 42)	0.86	0.82
Loans to Employees	6.60	5.86
Total	**7.46**	**6.68**

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

Refer Note 50 for information about credit risk and market risk of loans.

NOTE 15: OTHER CURRENT FINANCIAL ASSETS

Refer Note 1 (X) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Incentives under Government schemes	187.66	256.58
Security deposits	57.74	53.12
Interest Accrued on Investments	13.30	8.08
Other Accrued Interest	1.35	1.61
Total	**260.05**	**319.39**

Refer Note 50 for information about credit risk and market risk of other financial assets.

Notes to the Financial Statements

for the year ended December 31, 2021

NOTE 16: OTHER CURRENT ASSETS

Unsecured, Considered Good

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Advances other than capital advances		
Advance to suppliers	326.87	259.27
Prepaid expenses	46.32	54.94
Other receivables		
Balances with statutory/government authorities	422.34	357.52
Others	14.41	15.44
Total	**809.94**	**687.17**

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

NOTE 17: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Refer Note 1 (XVIII) for accounting policy on Non-current assets held for sale.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Plant and equipment	1.28	1.76
Building	1.05	1.15
Total	**2.33**	**2.91**

(I) The Company intends to dispose off plant and equipment and Building in the next 12 months which it no longer intends to utilise. A selection of potential buyers is underway.

(II) During the year, the Company sold a flat for ₹4.25 Crore (Book Value ₹0.32 Crore) which was classified as held for sale. The resultant gain of ₹3.93 Crore has been disclosed in statement of profit and loss under Other Income.

NOTE 18: EQUITY SHARE CAPITAL

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Authorised		
22,50,00,000 *(Previous year – 22,50,00,000)* Equity shares of ₹10 each	225.00	225.00
10,00,00,000 *(Previous year – 10,00,00,000)* Preference shares of ₹10 each	100.00	100.00
Issued		
18,87,93,243 *(Previous year – 18,87,93,243)* Equity shares of ₹10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 *(Previous year – 18,77,87,263)* Equity shares of ₹10 each fully paid	187.79	187.79
Add: 3,84,060 *(Previous year – 3,84,060)* Equity shares of ₹10 each forfeited – amount originally paid	0.20	0.20
Total	**187.99**	**187.99**

i) Reconciliation of number of equity shares outstanding

	Equity shares	
	No. of shares	₹ Crore
As at January 01, 2020	18,77,87,263	187.79
Increase/(decrease) during the year	-	-
As at December 31, 2020	18,77,87,263	**187.79**
Increase/(decrease) during the year	-	-
As at December 31, 2021	**18,77,87,263**	**187.79**

ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

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

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Ambuja Cements Limited, the holding company		
9,39,84,120 *(Previous year – 9,39,84,120)* Equity shares ₹10 each fully paid	93.98	93.98
Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited	8.41	8.41
84,11,000 *(Previous year – 84,11,000)* equity shares ₹10 each fully paid		

Companies referred above are subsidiaries of Holcim Ltd, (Erstwhile LafargeHolcim), Switzerland, the ultimate holding company.

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

	As at December 31, 2021		As at December 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Ambuja Cements Limited, the holding company	9,39,84,120	50.05	9,39,84,120	50.05
Life Insurance Corporation of India	1,08,27,402	5.77	95,03,365	5.06

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

There are no securities which are convertible into equity shares.

NOTE 19: OTHER EQUITY

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

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Capital Reserve	67.81	67.81
Securities Premium	845.03	845.03
General Reserve	2,723.30	2,723.30
Capital contribution from parent	7.47	3.29
Retained earnings	10,396.83	8,834.02
Total	**14,040.44**	**12,473.45**

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

Capital Reserve: It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

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

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

Capital Contribution from parent: Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by the parent company "Holcim Ltd" to the executives and senior management of the Company.

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

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 20: NON-CURRENT FINANCIAL LIABILITY

Refer Note 1 (XXI) for accounting policy on Leases.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Lease liabilities (Refer Note – 38)	101.37	83.98
	101.37	**83.98**

NOTE 21: NON-CURRENT PROVISIONS

Refer Note 1 (XVII) for accounting policy on Employee benefits.

Refer Note 1 (XIV) for accounting policy on Site restoration provisions.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 37)	94.65	102.35
Provision for provident fund (Refer Note – 37)	76.94	66.31
Provision for long service award	4.94	5.77
Other Provisions		
Provision for Site Restoration (Refer Note – 21.1 below)	37.77	39.14
Total	**214.30**	**213.57**

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

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Opening Balance	39.14	32.47
Provision/(reversal) during the year (net)	(1.57)	5.24
Utilised during the year	(1.37)	(0.03)
Unwinding of discount	1.57	1.46
Closing Balance	**37.77**	**39.14**

Provision for Site Restoration

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

NOTE 22: INCOME TAX

Refer Note 1 (XX) for accounting policy on Taxation.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for December 31, 2021:

	For the year ended December 31, 2021		For the quarter ended March 31, 2020		For the nine months ended December 31, 2020		For the year ended December 31, 2020	
	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %	₹ Crore	In %
Profit before tax	2,460.39		472.83		1,214.95		1,687.78	
At India's statutory income tax rate (Refer Note (a) below)	619.28	25.17%	165.21	34.94%	305.80	25.17%	471.01	27.91%
Effect of Allowances for tax purpose								
Tax Holiday claim under Section 80-IA (Up to March 31, 2020)	-	-	(15.73)	(3.34%)	-	-	(15.73)	(0.94%)
Inter corporate dividends Section 80M	(0.39)	(0.02%)	-	-	(0.07)	(0.01%)	(0.07)	(0.01%)
Effect of Non-Deductible expenses								
Corporate social responsibility expenses	9.05	0.37%	2.39	0.51%	6.41	0.54%	8.80	0.52%
Others	12.18	0.50%	1.02	0.22%	0.30	0.02%	1.32	0.08%
	20.84	**0.85%**	**(12.32)**	**(2.61%)**	**6.64**	**0.55%**	**(5.68)**	**(0.35%)**
At the effective income tax rate	**640.12**	**26.02%**	**152.89**	**32.33%**	**312.44**	**25.72%**	**465.33**	**27.56%**
Reversal of opening deferred tax liability on account of change in tax rate (Refer Note (b) below)	-	-	-	-	(189.61)	(15.61%)	(189.61)	(11.23%)
Effect of change in tax rate on deferred tax for the period January 01 to March 31, 2020	-	-	-	-	(2.88)	(0.24%)	(2.88)	(0.17%)
Income tax expense reported in the statement of profit and loss	**640.12**	**26.02%**	**152.89**	**32.33%**	**119.95**	**9.87%**	**272.84**	**16.16%**

Notes:

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

b) The Government of India has inserted Section 115BAA in the Income Tax Act, 1961, which provides domestic companies an option to pay Corporate Tax at reduced rate effective April 01, 2019, subject to certain conditions. During the previous year ended December 31, 2020, The Company has adopted the option of reduced rate and accordingly, opening net deferred tax liability as on January 01, 2020 amounting to ₹179.57 Crore was reversed (net of reversal of deferred tax assets of ₹10.04 Crore in Other Comprehensive Income).

Notes to the Financial Statements

for the year ended December 31, 2021

Deferred tax:

Deferred tax relates to the following:

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Deferred Tax Liabilities:		
Depreciation and amortisation differences	622.98	622.74
	622.98	**622.74**
Deferred Tax Assets:		
Provision for employee benefits	47.77	48.25
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	62.16	70.69
Allowance for obsolescence of Stores and Spares	7.12	7.12
Allowance for doubtful receivables and other assets	16.92	19.20
Right of use assets and lease liabilities differences	2.64	3.03
Expected credit loss on incentives receivable from government	32.45	32.45
Other temporary differences	71.18	65.80
	240.24	**246.54**
Net deferred tax liabilities	**382.74**	**376.20**

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

₹ Crore

	Net Balance as on January 01, 2021	Recognised in statement of Profit and Loss	Recognised in OCI	Net Balance as on December 31, 2021
Deferred Tax Liabilities:				
Depreciation and amortisation differences	622.74	0.24	-	622.98
	622.74	**0.24**	**-**	**622.98**
Deferred Tax Assets:				
Provision for employee benefits	48.25	1.35	(1.83)	47.77
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	70.69	(8.53)	-	62.16
Allowance for obsolescence of Stores and Spares	7.12	-	-	7.12
Allowance for doubtful receivables and other assets	19.20	(2.28)	-	16.92
Right of use assets and lease liabilities differences	3.03	(0.39)	-	2.64
Expected credit loss on incentives receivable from government	32.45	-	-	32.45
Other temporary differences	65.80	5.38	-	71.18
	246.54	**(4.47)**	**(1.83)**	**240.24**
Net deferred tax liabilities	**376.20**	**4.71**	**1.83**	**382.74**

₹ Crore

	Net Balance as on January 01, 2020	Recognised in statement of Profit and Loss	Recognised in OCI	Net Balance as on December 31, 2020
Deferred Tax Liabilities:				
Depreciation and amortisation differences	933.33	(310.59)	-	622.74
	933.33	**(310.59)**	**-**	**622.74**
Deferred Tax Assets:				
Provision for employee benefits	73.68	(16.90)	(8.53)	48.25
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	98.71	(28.02)	-	70.69
Allowance for obsolescence of Stores and Spares	9.88	(2.76)	-	7.12
Allowance for doubtful receivables and other assets	17.51	1.69	-	19.20
Right of use assets and lease liabilities differences	-	3.03	-	3.03
Expected credit loss on incentives receivable from government	-	32.45	-	32.45
Other temporary differences	91.34	(25.54)	-	65.80
	291.12	**(36.05)**	**(8.53)**	**246.54**
Net deferred tax liabilities	**642.21**	**(274.54)**	**8.53**	**376.20**

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

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Refer Note 1 (X) for accounting policy on Financial Instruments.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Financial Liabilities at amortised cost		
Interest accrued	13.33	13.89
Unpaid dividends*	23.80	28.49
Security deposits and retention money	792.37	801.26
Liability for capital expenditure	135.07	34.87
Provision for employees	137.18	128.55
Others	25.45	-
Financial Liabilities at fair value		
Foreign currency forward contract	-	0.28
Total	**1,127.20**	**1,007.34**

*Investor Education and Protection Fund ('IEPF') - As at December 31, 2021, there is no amount due and outstanding to be transferred to the 'IEPF' by the Company. Unclaimed dividend, if any, shall be transferred to 'IEPF' as and when they become due.

NOTE 24: OTHER CURRENT LIABILITIES

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Contract Liability*		
Advance from customers	252.32	148.18
Other Liability		
Statutory dues payable	675.15	575.14
Rebates to customers	592.68	521.56
Other payables (including interest on income tax, etc.)	739.42	748.22
Total	**2,259.57**	**1,993.10**

*The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended December 31, 2021.

NOTE 25: CURRENT PROVISIONS

Refer Note 1 (XVII) for accounting policy on Employee benefits.

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Provision for employee benefits		
Provision for gratuity and staff benefit schemes (Refer Note – 37)	11.59	7.49
Provision for compensated absences	3.18	7.48
Provision for long service award	0.93	0.90
Total	**15.70**	**15.87**

NOTE 26: REVENUE FROM OPERATIONS

Refer Note 1 (XVI) for accounting policy on Revenue recognition.

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue from contracts with customers		
Sale of Manufactured products	14,724.78	12,676.52
Sale of Traded products	1,086.28	806.96
Income from services rendered	3.34	3.35
	15,814.40	**13,486.83**
Other Operating Revenue		
Provision no longer required written back	7.33	5.80
Scrap Sales	56.61	23.21
Government grants*	154.74	159.94
Miscellaneous Income (including insurance claim, other services, etc.)	118.27	108.76
Total	**16,151.35**	**13,784.54**

*Government grants have been accrued for the GST refund claim under various State Investment Promotion Schemes. There are no unfulfilled conditions or contingencies attached to these grants.

Notes to the Financial Statements

for the year ended December 31, 2021

Reconciliation of revenue as per contract price and as recognised in Statement of Profit and Loss:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue as per Contract price	18,226.76	15,263.40
Less: Discounts and incentives	(2,412.36)	(1,776.57)
Revenue as per Statement of Profit and Loss	**15,814.40**	**13,486.83**

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

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

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein performance obligation is unsatisfied to which transaction price has been allocated.

Disaggregation of revenue:

Refer Note 43 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

NOTE 27: OTHER INCOME

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income using the effective interest rate method		
Interest on bank deposits	175.75	177.15
Interest on Income Tax	12.68	-
Other interest income	3.84	5.28
	192.27	**182.43**
Dividend from non-current investments from associate/joint venture	1.56	0.29
Other non-operating income		
Gain on sale of current financial assets measured at FVTPL	8.41	14.82
Net gain on fair valuation of current financial assets measured at FVTPL*	0.23	0.12
Gain on sale of investment in Subsidiary Company (Refer Note – 54)	-	3.94
Net gain on disposal of Property, Plant and Equipment	1.68	-
Gain on termination of leases	0.61	2.38
Total	**204.76**	**203.98**

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

NOTE 28: COST OF MATERIALS CONSUMED

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Inventories at the beginning of the year	115.54	117.44
Add: Purchases	2,170.30	1,671.19
	2,285.84	**1,788.63**
Less: Inventories at the end of the year	165.56	115.54
Total	**2,120.28**	**1,673.09**

Details of cost of materials consumed

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Slag	358.50	262.08
Gypsum	275.08	258.24
Fly Ash	447.87	332.03
Cement for Ready-Mix Concrete	149.93	109.84
Aggregates	224.39	170.75
Others*	664.51	540.15
Total	**2,120.28**	**1,673.09**

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

NOTE 29: PURCHASES OF STOCK-IN-TRADE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cement	911.71	690.26
Ready-Mix Concrete	2.84	1.88
Other Products	6.64	4.75
Total	**921.19**	**696.89**

NOTE 30: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Inventories at the end of the year		
Stock-in-Trade	16.14	14.48
Finished Goods	129.19	111.74
Work-in-progress	302.98	147.84
	448.31	**274.06**
Inventories at the beginning of the year		
Stock-in-Trade	14.48	7.90
Finished Goods	111.74	230.96
Work -in-progress	147.84	177.61
	274.06	**416.47**
Total	**(174.25)**	**142.41**

NOTE 31: EMPLOYEE BENEFITS EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Salaries and Wages (Refer Note – 48)	719.75	738.31
Contributions to Provident and other Funds	66.29	63.43
Employee share-based payments (Refer Note – 53)	4.18	2.66
Staff welfare expenses	43.80	34.67
Total	**834.02**	**839.07**

NOTE 32: FREIGHT AND FORWARDING EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
On Clinker transfer	584.33	489.83
On finished and Semi-finished products	3,260.38	2,941.98
Total	**3,844.71**	**3,431.81**

NOTE 33: FINANCE COSTS

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest		
- On Income tax	3.67	4.76
- On Defined benefit obligation (Net) - (Refer Note – 37)	8.95	13.76
- Interest on deposits from dealers	16.19	17.14
- Interest on Lease Liabilities*	9.37	9.80
- Others	14.88	10.12
Unwinding of discount on site restoration provision (Refer Note – 21.1)	1.57	1.46
	54.63	**57.04**

* Subsequent to introduction of Ind AS 116 Leases, the Company has recognised Long-term leases as ROU Assets and created lease obligation representing present value of future minimum lease payments. The unwinding of such obligation is recognised as interest expense.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Depreciation on Property, Plant and Equipment	566.44	604.03
Amortisation of intangible assets	5.23	3.90
Depreciation on Right of use assets	25.61	27.37
Total	**597.28**	**635.30**

NOTE 35: OTHER EXPENSES

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Consumption of stores and spare parts	277.26	224.77
Consumption of packing materials	552.03	386.26
Rent*	107.26	75.59
Rates and taxes (Refer Note – 48)	96.75	76.94
Repairs	155.29	126.25
Insurance	39.10	25.51
Royalties on minerals	264.33	240.05
Advertisement	86.37	56.58
Technology and Know-how fees (Refer Note – 42)	154.51	132.79
Expected credit loss on Incentives under Government schemes {Refer Note – 50(i)}	-	128.92
Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note – 50(i))}	(10.87)	37.34
Corporate Social Responsibility expense (Refer Note 2 below)	35.95	32.33
Miscellaneous expenses (Refer Note – 48 and 1 below)	510.67	534.43
Total	**2,268.65**	**2,077.76**

* Includes impact of Ind AS 116 – Leases (Refer Note – 38).

Notes:

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

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

   (iii) Miscellaneous expenses includes Loss on sale/write-off of Property, Plant and Equipment (net) of ₹ Nil *(Previous year – ₹10.96 Crore).*

   (iv) Miscellaneous expenses includes net loss of ₹3.20 Crore *(Previous year – ₹1.74 Crore)* on foreign currency transaction and translation.

   (v) Miscellaneous expenses includes net Loss of ₹1.29 Crore *(Previous year – ₹0.59 Crore)* on foreign currency forward contract.

   (vi) Payments to Statutory Auditors (excluding applicable taxes).

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
As auditors		
Audit fees	1.68	1.68
Audit fees for financial statements for tax filing purposes	0.45	0.45
Limited Reviews	1.05	1.05
In other capacity		
Fees for other services	0.05	0.01
Reimbursement of expenses	0.02	0.02
	3.25	**3.21**

2. Details of Corporate Social Responsibility expenses:

   The Company has spent ₹35.95 Crore *(Previous year – ₹32.33 Crore)* towards various schemes of Corporate Social Responsibility. The details are:

(a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is ₹35.44 Crore *(Previous year – ₹31.52 Crore)* i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

(b) No amount has been spent on construction/acquisition of an asset of the Company.

(c) Details of excess amount spent under Section 135(5) of the Companies Act, 2013.

₹ Crore

Balance excess spent as at January 01, 2021	Amount required to be spent during the year	Amount spent during the year	CSR expenses claimed in the current year	Balance excess spent as at December 31, 2021
-	35.44	35.95	35.95	-

NOTE 36: EARNINGS PER SHARE – [EPS]

Refer Note 1 (xxv) for Earnings Per Share.

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

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

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

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
Profit attributable to equity shareholders (as per Statement of Profit and Loss)		1,820.27	1,414.94
Weighted average number of equity shares for Earnings Per Share computation			
Number of shares for Basic Earnings Per Share		18,77,87,263	18,77,87,263
Effect of dilution:			
Number of shares held in abeyance		5,06,656	4,55,369
(Movement in number of shares is on account of change in average fair value of share)			
Weighted average number of Equity shares adjusted for the effect of dilution		18,82,93,919	18,82,42,632
Earnings Per Share			
Face value per Share	₹	10.00	10.00
Basic	₹	96.93	75.35
Diluted	₹	96.67	75.17

NOTE 37: EMPLOYEE BENEFITS

Refer Note 1 (XVII) for accounting policy on Employee benefits

a) Defined Contribution Plans – Amount recognised and included in Note 31 “Contributions to Provident and other Funds” of Statement of Profit and Loss ₹15.10 Crore *(Previous year – ₹15.97 Crore).*

b) Defined Benefit Plans – As per actuarial valuation on December 31, 2021.

The Company has defined benefit gratuity, additional gratuity and Trust managed provident fund plan.

i. The Company operates a Gratuity Plan through a trust for all its employees. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of service in accordance with Payment of Gratuity Act, 1972. The scheme is funded with insurance companies in the form of qualifying insurance policies.

ii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation or on medical grounds is entitled to additional gratuity. The scheme is Non Funded. This plan was discontinued with effect from April 30, 2020 for all the eligible employees of management category and benefits accrued was disbursed to the employees.

iii. Post Employment Medical Benefit plans – This plan was discontinued with effect from July 01, 2020.

iv. Refer Note – (c) for Provident fund scheme.

Notes to the Financial Statements
for the year ended December 31, 2021

Governance and Investment Strategy

The gratuity and provident fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India. The trust has developed policy guidelines for the allocation of assets to different classes with the objective of controlling risk and maintaining the right balance between risk and long-term returns in order to limit the cost to the Company of the benefits provided. To achieve this, investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Each year, the Board of Trustees and the Company review the level of funding. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review.

Every year an Asset-Liability – Matching study is performed in which the consequences of the investments are analysed in terms of risk and return profiles. The Board of Trustees, based on the study, takes appropriate decisions on the duration of instruments in which investments are done. As per the latest study, there is no Asset-Liability-Mismatch.

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

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

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

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

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

Defined Benefit Plans as per Actuarial valuation on December 31, 2021

₹ Crore

Particulars	Gratuity (Including additional gratuity) Funded	Gratuity (Including additional gratuity) Non Funded	Post employment medical benefits (PEMB)
I. Expense recognised in the Statement of Profit and Loss – for the year ended December 31, 2021			
Components recognised in the Statement of Profit and Loss			
1 Current service cost	16.05	8.93	-
	15.16	*8.84*	-
2 Net Interest cost	0.48	6.16	-
	2.01	*7.39*	*0.60*
3 Loss on Curtailments	-	-	-
	-	*1.48*	-
4 Gain on settlements	-	(10.34)	-
	-	-	*(9.31)*
5 Net benefit expense	16.53	4.75	-
	17.17	*17.71*	*(8.71)*
Components recognised in other comprehensive income (OCI)			
6 Actuarial (gains)/losses arising from change in financial assumptions	(7.53)	(3.83)	-
	7.86	*4.58*	-
7 Actuarial (gains)/losses arising from change in experience adjustments	(2.01)	2.18	-
	(0.01)	*(6.04)*	*(0.43)*
8 Actuarial (gains)/losses arising from change in demographic assumptions	-	-	-
	(0.29)	-	-
9 (Gain)/Loss on plan assets (Excluding amount included in net interest expenses)	(0.40)	-	-
	(4.12)	-	-
10 Sub-total – Included in OCI	(9.94)	(1.65)	-
	3.44	*(1.46)*	*(0.43)*

₹ Crore

Particulars	Gratuity (Including additional gratuity) Funded	Gratuity (Including additional gratuity) Non Funded	Post employment medical benefits (PEMB)
11 Total expense (5 + 10)	6.59	3.10	-
	20.61	*16.25*	*(9.14)*
II. Amount recognised in Balance Sheet			
1 Present value of Defined Benefit Obligation	(207.94)	(94.22)	-
	(221.90)	*(102.23)*	-
2 Fair value of plan assets	195.92	-	-
	214.29	-	-
3 Funded status {Surplus/(Deficit)}	(12.02)	(94.22)	-
	(7.61)	*(102.23)*	-
4 Net asset/(liability) as at December 31, 2021	(12.02)	(94.22)	-
	(7.61)	*(102.23)*	-
III. Present value of Defined Benefit Obligation			
1 Present value of Defined Benefit Obligation at beginning of the year	221.90	102.23	-
	203.75	*113.35*	*9.16*
2 Current service cost	16.05	8.93	-
	15.16	*8.84*	-
3 Interest cost	13.01	6.16	-
	13.05	*7.39*	*0.60*
4 Loss on Curtailments	-	-	-
	-	*1.48*	-
5 (Gain) on settlements	-	(10.34)	-
	-	-	*(9.31)*
6 Actuarial (gains)/losses arising from changes in financial assumptions	(7.53)	(3.83)	-
	7.86	*4.58*	-
7 Actuarial (gains)/losses arising from experience adjustments	(2.01)	2.18	-
	(0.01)	*(6.04)*	*(0.43)*
8 Actuarial (gains)/losses arising from change in demographic assumptions	-	-	-
	(0.29)	-	-
9 Benefits Payments	(33.48)	(11.11)	-
	(17.62)	*(27.37)*	*(0.02)*
10 Present value of Defined Benefit Obligation at the end of the year	207.94	94.22	-
	221.90	*102.23*	-
IV. Fair value of Plan Assets			
1 Plan assets at the beginning of the year	214.29	-	-
	174.13	-	-
2 Interest income	12.53	-	-
	11.04	-	-
3 Contributions by Employer	-	-	-
	25.00	-	-
4 Actual benefits paid	(31.30)	-	-
	-	-	-
5 Actuarial gains/(losses) arising from changes in financial assumptions	0.40	-	-
	4.12	-	-
6 Plan assets at the end of the year	195.92	-	-
	214.29	-	-
V. Weighted Average duration of Defined Benefit Obligation	10 Years	10 Years	NA
	10 Years	*10 Years*	*NA*

(Figures in italics pertain to previous year).

Notes to the Financial Statements

for the year ended December 31, 2021

VI. Sensitivity Analysis:

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

Sensitivity Analysis as at December 31, 2021

₹ Crore

	Gratuity - Funded		Gratuity - Unfunded	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(13.66)	15.59	(6.98)	8.07
Future salary growth (1% movement)	15.40	(13.75)	7.76	(6.86)

Sensitivity Analysis as at December 31, 2020

₹ Crore

	Gratuity - Funded		Gratuity - Unfunded	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(14.58)	17.07	(7.85)	9.11
Future salary growth (1% movement)	16.39	(14.54)	8.07	(7.68)

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

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

	Gratuity	
	As at December 31, 2021	As at December 31, 2020
Debt instruments		
Government securities	70%	63%
Debentures and bonds	26%	32%
Equity shares	2%	3%
Cash and cash equivalents		
Fixed deposits	2%	2%
	100%	**100%**

VIII. Actuarial Assumptions:

		As at December 31, 2021	As at December 31, 2020
a)	Financial Assumptions		
1	Discount rate	6.75%	6.25%
2	Salary increase rate	7.00%	7.00%
b)	Demographic Assumptions		
1	Retirement age	60 years	60 years
2	Expected average remaining working lives of employees	10 years	10 years
3	Disability rate	5.00%	5.00%
4	Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate

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

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

e) Expected cash flows:

₹ Crore

Particulars	Funded Gratuity As at December 31, 2021	Funded Gratuity As at December 31, 2020	Unfunded Gratuity As at December 31, 2021	Unfunded Gratuity As at December 31, 2020
1. Expected employer contribution in the next year	-	-		
2. Expected benefit payments				
Year 1	29.81	27.60	11.58	7.49
Year 2	23.56	27.86	8.30	9.03
Year 3	23.93	24.56	8.15	9.50
Year 4	21.90	24.87	8.95	9.02
Year 5	17.65	21.52	8.41	10.40
Next 5 years	77.96	78.30	35.96	39.90
Total expected payments	**194.81**	**204.71**	**81.35**	**85.34**

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

g) **Other Long-term employee benefits** – Amount recognised as an expense under employee benefit expenses in the Statement of Profit and Loss in respect of compensated absences and long service award is ₹8.57 Crore *(Previous year – ₹17.14 Crore)* Following are the actuarial assumptions used for valuation of Other Long-term employee benefits.

Actuarial Assumptions for valuation of Other Long-term employee benefits	As at December 31, 2021	As at December 31, 2020
a) Financial Assumptions		
1 Discount rate	6.75%	6.25%
2 Salary increase rate	7.00%	7.00%
b) Demographic Assumptions		
1 Retirement age	60 years	60 years
2 Expected average remaining working lives of employees	10 years	10 years
3 Disability rate	5.00%	5.00%
4 Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate	Indian Assured Lives Mortality (2012-14) (Modified) Ultimate

c) Provident Fund

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

The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate. The exempt provident fund set up by the Company is a defined benefit plan under Ind AS 19 Employee Benefits.

Defined benefit plans as per actuarial valuation on December 31, 2021

₹ Crore

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
I. Components of expense recognised in the Statement of Profit and Loss		
1 Current service cost	29.47	27.15
2 Current Interest cost	2.31	3.76
3 Net benefit expense	31.78	30.91
Components recognised in other comprehensive income (OCI)		
4 Actuarial (gains)/losses arising from changes in financial assumptions on Liability	(19.22)	(0.93)
5 Actuarial (gains)/losses arising from changes in financial assumptions on Plan Assets	23.54	5.39
6 Sub-total - Included in OCI	4.32	4.46
7 Total expense (3 + 6)	36.10	35.37

Notes to the Financial Statements
for the year ended December 31, 2021

₹ Crore

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
II. Amount recognised in Balance Sheet		
1 Present value of Defined Benefit Obligation	(871.44)	(848.58)
2 Fair value of plan assets	794.50	782.27
3 Funded status {Surplus/(Deficit)}	(76.94)	(66.31)
4 Net asset/(liability) as at end of the year *	(76.94)	(66.31)
III. Present Value of Defined Benefit Obligation		
1 Present value of Defined Benefit Obligation at beginning of the year	848.58	820.64
2 Current service cost	29.47	27.15
3 Interest cost	68.10	70.88
4 Employee Contributions	57.58	73.92
5 Actuarial (gains)/losses arising from changes in financial assumptions	(2.41)	15.38
6 Actuarial (gains)/losses arising from experience adjustments	(16.81)	(16.31)
7 Benefits Payments	(122.98)	(154.74)
8 Increase/ (Decrease) due to effect of any transfers	9.91	11.66
9 Present value of Defined Benefit Obligation at the end of the year	871.44	848.58
IV. Fair Value of Plan Assets		
1 Plan assets at the beginning of the year	782.27	765.39
2 Interest income	65.79	67.12
3 Contributions by Employer	25.46	24.31
4 Contributions by Employee	57.58	73.92
5 Actual benefits paid	(122.98)	(154.74)
6 Net transfer in/(out)	9.91	11.66
7 Actuarial gains/(losses) arising from changes in financial assumptions	(23.53)	(5.39)
8 Plan assets at the end of the year	794.50	782.27
V. Weighted Average duration of Defined Benefit Obligation	10 years	10 years

* The Provident Fund of ACC Limited (Trust) had invested ₹49 Crore in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability of this investment, in 2019 the Company provided ₹49 Crore being the change in re-measurement of the defined benefit plans towards probable incremental employee benefit liability that may arise on the Company on account of any likely shortfall of the Trust in meeting its obligations.

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

Particulars	As at December 31, 2021	As at December 31, 2020
Debt instruments		
Government securities	56%	57%
Debentures and bonds	12%	9%
Equity instruments	12%	12%
Cash and Cash equivalent	20%	22%
	100%	**100%**

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

Particulars	As at December 31, 2021	As at December 31, 2020
Discounting rate	6.75%	6.25%
Guaranteed interest rate	8.50%	8.50%
Yield on assets based on the Purchase price and outstanding term of maturity	8.10%	8.10%

VIII. Sensitivity analysis for factors mentioned in Actuarial Assumptions

₹ Crore

	As at December 31, 2021		As at December 31, 2020	
Particulars	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.26)	5.03	(4.45)	5.30
Interest rate guarantee (1% movement)	58.05	(30.17)	56.54	(29.37)

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from previous year.

IX. The Company expects to contribute ₹25.00 Crore *(Previous year – ₹25.00 Crore)* to trust managed Provident Fund in the next year.

NOTE 38: LEASES

Refer Note 1 (XXI) for accounting policy on Leases.

Company as lessee

The Company's lease asset classes primarily consist of leases for grinding facility, godowns, flats, land, Plant and Equipment, office premises and other premises. There are no restrictions imposed by lease arrangements. There are no subleases.

(I) As at December 31, 2021, commitments for leases not yet commenced is ₹ Nil *(Previous year – ₹37.80 Crore)* towards a leasehold land with lease term of 30 years.

(II) The movement in lease liabilities during the year ended December 31, 2021 is as follows :

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Balance at the January 01	102.48	131.61
Additions During the Year	51.37	8.20
Finance cost accrued during the year	9.37	9.80
Lease modification	-	(7.46)
Payment of lease liabilities	(35.99)	(24.59)
Termination of Lease contracts	(1.65)	(15.08)
Balance at December 31	**125.58**	**102.48**
Current lease liabilities	24.21	18.50
Non-current lease liabilities	101.37	83.98

(III) The maturity analysis of lease liabilities are disclosed in Note 50 (ii) – Liquidity risk

(IV) Lease expenses recognised in Statement of Profit and Loss, not included in the measurement of lease liabilities:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Expense relating to short-term leases	65.19	48.98
Expense relating to leases of low- value assets	0.04	0.04
Expense in respect of variable lease payments	42.03	28.40
	107.26	**77.42**

NOTE 39: CAPITAL AND OTHER COMMITMENTS

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

₹ Crore

	As at December 31, 2021	As at December 31, 2020
A) Estimated value of contracts on capital account remaining to be executed (Net of advance)	933.85	1,071.07
B) For commitments relating to lease arrangements, Refer Note – 38		

NOTE 40: CONTINGENT LIABILITIES NOT PROVIDED FOR

Refer Note 1 (XIII) for accounting policy on Contingent liabilities.

(A) Claims against the Company not acknowledged as debt:

Disputed claims/levies in respect of:

₹ Crore

Nature of Statute	Brief Description of Contingent Liabilities	As at December 31, 2021	As at December 31, 2020
Competition Act, 2002	CCI matter - Refer Notes a & b below	1,878.34	1,749.85
The Income Tax Act, 1961	Income tax matter related to excise duty incentives in the nature of capital receipts including interest u/s 244A. Refer Note e below	604.44	604.44
Service Tax – The Finance Act, 1994	Dispute regarding place of removal. Refer Note c below	91.89	90.53
The Mineral Concession Rules	Compensation for use of Government land. Refer Note d below	212.22	212.22
Sales Tax Act/Commercial Tax Act of various states	Packing Material - Differential rate of tax. Matters pending with various authorities.	11.53	20.52
	Other Sales tax matters	6.77	9.65
Customs Duty – The Customs Act, 1962	Demand of duty on import of Steam Coal during 2001 to 2013 classifying it as Bituminous Coal.	30.97	30.97
Other Statutes/Other Claims	Claims by suppliers regarding supply of raw material.	28.80	28.80
	Demand of water drawal charges, Special Leave petition (SLP) pending with Hon'ble Supreme Court.	9.80	9.80
	Various other cases pertaining to claims related to Railways, labour laws, etc.	10.05	10.05
Mines and Minerals (Development and Regulation) Act	Demand of additional Royalty on Limestone based on ratio of cement produced vis a vis consumption of limestone.	7.93	7.93
	Total	**2,892.74**	**2,774.76**

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

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

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

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

After hearing the matter, the CCI had, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association (CMA) are guilty and in violation of the Section 3(1) read with Section 3(3)(a) and Sec 3 (3)(b) of the Competition Act and imposed a penalty of ₹1,147.59 Crore on the Company.

The Company had appealed against the penalty to the Competition Appellate Tribunal ('COMPAT') which granted a stay on November 07, 2016 with a condition to deposit 10% of the penalty amount, which was deposited and levy of interest of 12% p.a. in case the appeal is decided against the appellant (the "Interim order"). Interest amount on penalty as on December 31, 2021 is ₹695.43 Crore *(Previous year – ₹566.94 Crore)*. COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017, who vide its judgement dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgement of NCLAT, the Company appealed before the Hon'ble Supreme Court, which by its order dated October 05, 2018 had admitted the appeal and directed that the interim order passed by the Tribunal in this case will continue in the meantime.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

b) In a separate matter, the Director, Supplies and Disposal, Haryana filed information that seven cement companies had engaged in collusive bidding in contravention of the Competition Act. CCI by its order dated January 19, 2017 imposed a penalty of ₹35.32 Crore on the Company. On Company's filing an appeal, COMPAT had stayed the penalty. Matter is now listed before NCLAT and is pending for hearing.

Based on the advice of external legal counsel, the Company believes it has a strong case on merits for a successful appeal in this matter. Accordingly, the Company is of the view that no provision is necessary in the financial statements.

c) The dispute is regarding whether the “place of removal” is the “factory gate/Depot” or “destination point of customer” for availment of Service Tax Credit on “Outward Transportation cost” of Cement when sales is on F.O.R. basis. The Department has alleged that, the freight cost for transportation of Cement beyond factory gate and Depot being the place of removal, is not “Input Service” and therefore the Service Tax Credit on such services cannot be availed. The Service Tax Department issued show cause notice (SCN) and demand orders against which the Company has filed Appeal with the CESTAT.

In the case of Gujarat Ambuja Cement Limited, the Punjab & Haryana (P&H) High Court has decided that the matter in favour of assessee relying on Board Circular dated August 23, 2017, to which Department has not challenged and hence the same has attained finality. Hon'ble Supreme Court, vide Order dated January 01, 2018 in the case of Commissioner, of Central Excise (CCE), Raipur V/s Ultratech Cement (Chhattisgarh State) has allowed Service Tax Credit on GTA Services and dismissed the Departmental Appeal. In another decision, Hon'ble Supreme court, vide Order dated February 01, 2018 in the case of CCE Bangalore V/s Ultratech Cement (Karnataka state) has disallowed such Service Tax Credit on GTA Services. Similar matter of M/s Mangalam Cement is pending before Hon'ble Supreme Court remanded to High Court for deciding whether decision of Ultratech (Karnataka State) will be applicable or not.

Based on the advice of the external legal counsel, conflicting decisions of various courts and Central Board of Indirect Taxes and Customs (CBIC) Circular, the Company believes that matter is a possible case. The Company strongly believes no provision is considered necessary at this stage.

d) The Company has received demand notice dated May 10, 2013 from the Government of Tamil Nadu, and an Order dated August 22, 2019 passed by the Collector, Coimbatore seeking Annual Compensation for the period from 01.04.1997 to 31.03.2014 and 01.04.2014 to 31.03.2019, amounting to ₹73.46 Crore and ₹138.76 Crore respectively for use of the Government land for mining, which land the Company occupies on the basis of the Mining Leases. Despite the Company paying royalty at the prescribed rate for the Minerals extracted from the leased land and paying surface rent regularly as per Rules, the Authorities have issued the demand letters calling upon the Company to pay compensation for use of Government land. The Company has challenged the demands by way of Revision under the Mineral Concession Rules and in Writ Petitions before the Hon’ble High Court of Tamil Nadu at Chennai, and in a Petition has obtained an order restraining the State from taking coercive steps.

Pending the same the High Court of Tamil Nadu in the group Writ Petitions of other cement manufacturers viz. Dalmia Cements, Madras Cements and others has passed a judgement dated November 20, 2019 allowing annual compensation to be collected by the state under rule 72 of MCR in respect of Government Poramboke Land. The Company has filed a Writ Appeal against the Judgement dated November 20, 2019 passed in Dalmia Cements, Madras Cements and others.

One of the above Petition challenging the demand for the period 01.04.2014 to 31.03.2019, is disposed of against the Company by the High Court vide order dated December 14, 2021 in line with judgement dated November 20, 2019. The Company is in the process of filing a Writ Appeal before the Divisional bench of High Court against this judgement.

The Company is of the view and has been advised legally, that the merits are strongly in its favour.

e) The Company was entitled to excise incentives from Government at its Gagal plant located in the State of Himachal Pradesh, in respect of Income tax assessment years 2006-07 to 2015-16. The Company contended that the said incentives are in the nature of capital receipts and hence not liable to income tax. The Income tax department had initially not accepted this position and appeals were pending with the Commissioner of Income tax-appeals (CIT-A).

During the year 2018, the matter was decided in the favour of the Company for three years by the (CIT-A), against which the department has filed an appeal with the ITAT. Two more years orders were received later deciding on the same line.

In view of the series of repeated favourable orders by the Income tax department, after considering the legal merits of the Company’s claim, including *inter alia*, the ratio of the decisions of Hon’ble Supreme Court, and the pattern of favourable orders by the department including favourable disposal of the Company’s appeal by the CIT (A), as mentioned above, the Company reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable. This was backed by an expert’s opinion on the matter.

The department had issued show cause notices for revisionary proceedings under Section 263 of the Income-Tax Act, 1961 in the year 2018 in respect of excise incentives for two years. On appealing against 263 order, the ITAT had directed the Assessing Officer to re-examine and take final decision independently. Against ITAT order, appeal is pending before

High Court. In 2021, AO has re-examined the matter (as per ITAT's direction) and disallowed the claim. The appeal is filed before CIT(A).

Pending final closure of this matter, tax amount of ₹500.63 Crore *(Previous year – ₹500.63 Crore)* along with interest payable of ₹103.81 Crore *(Previous year – ₹103.81 Crore)* has been disclosed as contingent liabilities.

(B) Guarantees excluding financial guarantees

₹ Crore

Particulars	As at December 31, 2021	As at December 31, 2020
Guarantees given to Government Bodies on behalf of subsidiary companies	0.87	0.04

NOTE 41: MATERIAL DEMANDS AND DISPUTES RELATING TO ASSETS AND LIABILITIES CONSIDERED AS REMOTE BY THE COMPANY

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

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

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

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

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

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

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

c) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme *inter alia*, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT refund and (ii) royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹133 Crore *(Previous year – ₹133 Crore)* on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing on merit. The Company is of the view and has been advised legally, that the merits are strongly in its favour.

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

e) One of the Company's cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured at that plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was in the negative list. A demand of ₹82.37 Crore *(Previous year – ₹82.37 Crore)* was raised. The Company filed a writ petition before the Hon'ble High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand is unlikely to sustain under law.

f) The Company was contesting the renewal of mining lease in state of Jharkhand for two of its quarries on lease. There was an unfavourable order by the Hon'ble Supreme Court in judgement on Goa Foundation case, restricting the ""deemed renewal"" provision of captive mining leases to the first renewal period. The Company received demand from District Mining Officer for ₹881 Crore as penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014.

On January 02, 2015, the Central Government promulgated the Mines and Minerals (Development and Regulation) Amendment) Ordinance, 2015 [subsequently enacted as Mines and Minerals (Development and Regulation) (Amendment) Act, 2015 in March 2015] amending mining laws with retrospective effect, and decided that all leases granted prior to ordinance will deemed to have been automatically renewed until prescribed period therein.

The Company then filed a writ petition with High Court of Jharkhand, challenging the aforesaid memos from the State Government for directing the State government to renew both the leases up to March 2030 as per the Ordinance.

On October 31, 2015 the High Court passed an interim order in terms of Section 8A(5) of the Ordinance for quarry II extending the lease up to March 2030 permitting the Company to commence mining operations after depositing ₹48 Crore, being assessed value of materials dispatched between April 2014 to September 2014 (being the alleged period of illegality) subject to the outcome of the petition filed by the Company.
The Company's assessment coupled with legal advice is that the case shall not stand the test of judicial scrutiny basis the automatic renewal.

NOTE 42. RELATED PARTY DISCLOSURE

(A)	Names of the Related parties where control exists:	Nature of Relationship
1	Holcim Ltd, Switzerland (Erstwhile LafargeHolcim Ltd)	Ultimate Holding Company
2	Holderind Investments Ltd, Mauritius	Holding Company of Ambuja Cements Limited
3	Ambuja Cements Limited	Holding Company
4	Bulk Cement Corporation (India) Limited	Subsidiary Company
5	ACC Mineral Resources Limited	Subsidiary Company
6	Lucky Minmat Limited	Subsidiary Company
7	National Limestone Company Private Limited	Subsidiary Company (up to November 18, 2020)
8	Singhania Minerals Private Limited	Subsidiary Company
9	OneIndia BSC Private Limited	Joint venture Company
10	Aakaash Manufacturing Company Private Limited	Joint venture Company
(B)	Others – With whom transactions have been taken place during the current and/or previous year:	
(a)	Names of other Related parties	Nature of Relationship
1	Alcon Cement Company Private Limited	Associate Company
2	Asian Concretes and Cements Private Limited	Associate Company
3	Holcim Services (South Asia) Limited	Fellow Subsidiary
4	Holcim Group Services Ltd, Switzerland	Fellow Subsidiary
5	Holcim Technology Ltd, Switzerland	Fellow Subsidiary

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6	Holcim Trading Pte Ltd, Singapore (Erstwhile LafargeHolcim Trading Pte Ltd)	Fellow Subsidiary
7	LafargeHolcim Energy Solutions SAS, France	Fellow Subsidiary (up to April 30, 2021)
8	LafargeHolcim Bangladesh Ltd, Bangladesh	Fellow Subsidiary
9	Lafarge SA, France	Fellow Subsidiary
10	Holcim Trading Ltd Switzerland (Erstwhile LH Trading Ltd)	Fellow Subsidiary
11	LH Global Hub Services Private Limited	Fellow Subsidiary
12	Holcim International Services Singapore Pte Ltd, Singapore (Erstwhile Lafarge International Services Singapore Pte Ltd)	Fellow Subsidiary
13	Lafargeholcim Investment Co Ltd, China	Fellow Subsidiary
14	PT Holcim Indonesia Tbk, Indonesia	Fellow Subsidiary (up to January 31, 2019)
15	Counto Microfine Products Private Limited	Joint venture of Ambuja Cements Limited
16	Asian Fine Cement Private Limited	Subsidiary of Asian Concretes and Cements Private Limited
17	The Provident Fund of ACC Ltd	Trust (Post-employment benefit plan)
18	ACC limited Employees Group Gratuity scheme	Trust (Post-employment benefit plan)
19	ACC Trust	Trust (Corporate Social Responsibility Trust)

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, following Personnel are considered as Key Management Personnel (KMP).

(b)	Name of the Related Parties:	Nature of Relationship
1	Mr Neeraj Akhoury	Managing Director & CEO (up to February 20, 2020). Additional Director (w.e.f. February 21, 2020) Non-Executive/Non-Independent Director (w.e.f. July 06, 2020)
2	Mr Sridhar Balakrishnan	Managing Director & CEO (w.e.f. February 21, 2020)
3	Ms Rajani Kesari	Chief Financial Officer (up to August 31, 2020)
4	Mr Yatin Malhotra	Chief Financial Officer (w.e.f. September 01, 2020)
5	Mr Rajiv Choubey	Company Secretary
6	Mr N. S. Sekhsaria	Chairman, Non-Executive/Non-Independent Director
7	Mr Jan Jenisch	Deputy Chairman, Non-Executive/Non-Independent Director
8	Mr Martin Kriegner	Non-Executive/Non-Independent Director
9	Mr Shailesh Haribhakti	Independent Director
10	Mr Sushil Kumar Roongta	Independent Director
11	Mr Vijay Kumar Sharma	Non-Independent Director (up to July 20, 2020)
12	Ms Falguni Nayar	Independent Director
13	Mr Christof Hassig	Non-Executive/Non-Independent Director (up to February 20, 2020)
14	Mr Damodarannair Sundaram	Independent Director
15	Mr Vinayak Chatterjee	Independent Director
16	Mr Sunil Mehta	Independent Director
17	Mr M. R. Kumar	Non-Independent Director (w.e.f. October 19, 2020)

(C) Transactions with Subsidiary Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Raw Material**	**1.57**	**-**
	Singhania Minerals Private Limited	1.57	-
2	**Sale of finished goods**	**0.03**	**-**
	Bulk Cement Corporation (India) Limited	0.03	-
3	**Reimbursement of Expenses Paid/Payable**	**0.85**	**1.43**
	Bulk Cement Corporation (India) Limited	0.85	1.43
4	**Reimbursement of Expenses Received/Receivable**	**1.82**	**1.29**
	Bulk Cement Corporation (India) Limited	1.82	1.29
5	**Rendering of Services**	**2.46**	**2.53**
	Bulk Cement Corporation (India) Limited	2.46	2.53
6	**Receiving of Services**	**25.50**	**20.83**
	Bulk Cement Corporation (India) Limited	25.50	20.83
7	**Inter Corporate Deposit (including accrued interest) written off***	**-**	**2.05**
	National Limestone Company Private Limited	-	2.05

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
8	**Interest income on Inter Corporate Deposit**	**0.07**	**0.20**
	National Limestone Company Private Limited	-	0.12
	Singhania Minerals Private Limited	0.06	0.07
	Lucky Minmat Limited	0.01	0.01
9	**Inter Corporate Deposits Given**	**0.04**	**0.21**
	National Limestone Company Private Limited	-	0.19
	Lucky Minmat Limited	0.04	0.02
10	**Conversion of outstanding interest into Inter Corporate Deposits**	**-**	**0.06**
	National Limestone Company Private Limited	-	0.04
	Singhania Minerals Private Limited	-	0.02
11	**Guarantee given**	**0.83**	**-**
	Singhania Minerals Private Limited	0.73	-
	Bulk Cement Corporation (India) Limited	0.10	-

Outstanding balances with Subsidiary Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Guarantee outstanding as at the end of the Year ##**	**0.87**	**0.04**
	Singhania Minerals Private Limited	0.77	0.04
	Bulk Cement Corporation (India) Limited	0.10	-
2	**Inter Corporate Deposits as at the end of the Year**	**0.86**	**0.82**
	Singhania Minerals Private Limited	0.71	0.71
	Lucky Minmat Limited	0.15	0.11
3	**Outstanding balance of interest receivables on Inter Corporate Deposits**	**0.19**	**0.12**
	Singhania Minerals Private Limited	0.17	0.11
	Lucky Minmat Limited	0.02	0.01
4	**Outstanding balance included in Trade receivables**	**0.31**	**0.35**
	Bulk Cement Corporation (India) Limited	0.14	0.18
	Singhania Minerals Private Limited	0.17	0.17
5	**Outstanding balance included in Trade payables**	**3.96**	**2.01**
	Bulk Cement Corporation (India) Limited	3.92	2.01
	Singhania Minerals Private Limited	0.04	-

(D) Transactions with Joint Venture Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Finished Goods**	**149.20**	**86.59**
	Aakaash Manufacturing Company Private Limited {Refer Note 46 (ii)}	149.20	86.59
2	**Sale of Finished Goods**	**2.16**	**8.00**
	Aakaash Manufacturing Company Private Limited	2.16	8.00
3	**Receiving of Services**	**-**	**17.44**
	OneIndia BSC Private Limited	-	17.44
4	**Sale of Raw Material**	**0.22**	**-**
	Aakaash Manufacturing Company Private Limited	0.22	-
5	**Dividend Received**	**1.13**	**-**
	Aakaash Manufacturing Company Private Limited	1.13	-
6	**Reimbursement of Expenses Paid/Payable**	**0.30**	**1.22**
	Aakaash Manufacturing Company Private Limited	0.21	1.22
	OneIndia BSC Private Limited	0.09	-

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Outstanding balances with Joint venture Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**0.22**	**1.59**
	Aakaash Manufacturing Company Private Limited	0.22	1.59
2	**Outstanding balance included in Trade payables**	**36.66**	**21.17**
	Aakaash Manufacturing Company Private Limited	36.66	20.64
	OneIndia BSC Private Limited	-	0.53

(E) Transactions with Associate Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Finished Goods**	**65.86**	**47.77**
	Alcon Cement Company Private Limited {Refer Note – 46 (i)}	65.86	47.77
2	**Sale of Finished Goods**	**0.03**	**-**
	Alcon Cement Company Private Limited	0.03	-
3	**Purchase of Raw Materials**	**8.94**	**4.87**
	Asian Concretes and Cements Private Limited	8.94	4.87
4	**Sale of Unfinished Goods**	**21.87**	**15.68**
	Alcon Cement Company Private Limited {Refer Note – 46 (i)}	20.68	14.18
	Asian Fine Cement Private Limited	1.19	1.50
5	**Dividend Received**	**0.43**	**0.29**
	Alcon Cement Company Private Limited	0.43	0.29
6	**Receiving of Services**	**63.33**	**62.10**
	Asian Concretes and Cements Private Limited	63.33	62.10
7	**Reimbursement of Expenses Received/Receivable**	**16.23**	**11.24**
	Alcon Cement Company Private Limited	16.23	11.24
8	**Reimbursement of Expenses Paid/Payable**	**0.34**	**2.38**
	Alcon Cement Company Private Limited	0.34	0.14
	Asian Concretes and Cements Private Limited	-	2.24

Outstanding balances with Associate Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**8.74**	**6.39**
	Alcon Cement Company Private Limited	8.74	6.39
2	**Outstanding balance included in Trade payables**	**24.30**	**12.75**
	Asian Concretes and Cements Private Limited	16.41	6.16
	Alcon Cement Company Private Limited	7.58	6.09
	Asian Fine Cement Private Limited	0.31	0.50

(F) Details of Transactions relating to Ultimate Holding and Holding Companies

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Dividend paid**	**143.36**	**143.36**
	Ambuja Cements Limited	131.58	131.58
	Holderind Investments Limited	11.78	11.78
2	**Purchase of Raw materials**	**18.23**	**15.83**
	Ambuja Cements Limited	18.23	15.83
3	**Purchase of Finished /Unfinished goods**	**867.14**	**498.37**
	Ambuja Cements Limited	867.14	498.37
4	**Purchase of Stores & Spares**	**4.00**	**1.75**
	Ambuja Cements Limited	4.00	1.75
5	**Purchase of Property, Plant and Equipments**	**17.42**	**1.28**
	Ambuja Cements Limited	17.42	1.28
6	**Sale of Finished /Unfinished Goods**	**469.24**	**220.25**
	Ambuja Cements Limited	469.24	220.25

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
7	**Sale of Raw Material**	**6.85**	**1.76**
	Ambuja Cements Limited	6.85	1.76
8	**Sale of Stores & Spares**	**1.35**	**0.36**
	Ambuja Cements Limited	1.35	0.36
9	**Sale of Property, Plant and Equipments**	**0.73**	**0.72**
	Ambuja Cements Limited	0.73	0.72
10	**Rendering of Services**	**69.17**	**53.44**
	Ambuja Cements Limited	69.17	53.44
11	**Receiving of Services**	**46.98**	**39.58**
	Ambuja Cements Limited	46.98	39.58
12	**Reimbursement of Expenses Received/Receivable**	**0.83**	**0.06**
	Ambuja Cements Limited	0.83	0.06
13	**Reimbursement of Expenses Paid/Payable**	**9.43**	**1.45**
	Ambuja Cements Limited	9.43	1.45

Outstanding balances with Ultimate Holding and Holding Companies

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**37.95**	**24.36**
	Ambuja Cements Limited	37.95	24.36
2	**Outstanding balance included in Other current assets - advances**	**0.04**	**0.04**
	Ambuja Cements Limited	0.04	0.04
3	**Outstanding balance included in Trade payables**	**100.32**	**68.11**
	Ambuja Cements Limited	100.32	68.11

(G) Details of Transactions relating to Fellow Subsidiary Companies/Joint Venture of Holding Company

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Purchase of Raw materials**	**167.59**	**210.25**
	LafargeHolcim Energy Solutions SAS	-	210.04
	Holcim Trading Ltd	167.01	-
	Counto Microfine Products Private Limited	0.58	0.21
2	**Sale of Finished /Unfinished Goods**	**-**	**0.03**
	Counto Microfine Products Private Limited	-	0.03
3	**Technology and Know-how fees**	**154.51**	**132.79**
	Holcim Technology Ltd	154.51	132.79
4	**Receiving of Services**	**77.58**	**64.54**
	Holcim Services (South Asia) Limited	48.40	52.43
	LH Global Hub Services Private Limited	27.79	11.08
	Lafarge SA	0.37	0.66
	Holcim Technology Ltd	0.32	0.37
	Lafargeholcim Investment Ltd	0.70	-
5	**Rendering of Services**	**4.06**	**11.05**
	Holcim Services (South Asia) Limited	4.06	9.63
	Lafarge SA	-	0.79
	Holcim Technology Ltd	-	0.63
6	**Expense recognised in respect of doubtful debts ****	**-**	**1.73**
	Holcim Technology Ltd	-	1.45
	Holcim Trading Pte Ltd	-	0.13
	PT Holcim Indonesia Tbk	-	0.15
7	**Reimbursement of Expenses Paid/Payable**	**1.03**	**1.77**
	Lafargeholcim Energy Solutions SAS	0.45	0.27
	Holcim International Services Singapore Pte Ltd	0.38	1.47
	Holcim Group Services Ltd	0.20	0.03

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₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
8	**Reimbursement of Expenses Received/Receivable**	**1.17**	**1.48**
	Lafargeholcim Energy Solutions SAS	0.75	0.51
	Holcim Technology Ltd	-	0.78
	LH Global Hub Services Private Limited	0.40	0.19
	Holcim Trading Ltd	0.02	-

Outstanding balances with Fellow Subsidiary Companies/Joint Venture of Holding Company

₹ Crore

		As at December 31, 2021	As at December 31, 2020
1	**Outstanding balance included in Trade receivables**	**2.67**	**5.23**
	Holcim Services (South Asia) Limited	2.65	4.78
	LafargeHolcim Bangladesh Ltd	0.02	0.02
	LH Global Hub Services Private Limited	-	0.19
	Lafarge SA	-	0.03
	Holcim Technology Ltd	-	0.21
2	**Outstanding balance included in Trade payables**	**170.65**	**38.88**
	Holcim Trading Ltd	130.21	-
	LafargeHolcim Energy Solutions SAS	1.21	1.93
	Holcim Technology Ltd	31.35	29.91
	Counto Microfine Products Private Limited	0.17	0.04
	Holcim Services (South Asia) Limited	5.51	5.33
	Holcim Group Services Ltd	0.02	0.03
	Lafarge SA	0.44	0.17
	LH Global Hub Services Private Limited	1.57	-
	Lafargeholcim Investment Ltd	0.17	-
	Holcim International Services Singapore Pte Ltd	-	1.47

(H) Details of Transactions with Key Management Personnel

₹ Crore

		For the year ended December 31, 2021	For the year ended December 31, 2020
1	**Remuneration*** **	**10.02**	**16.44**
	Mr Sridhar Balakrishnan	5.15	3.32
	Mr Yatin Malhotra	2.07	0.60
	Mr Rajiv Choubey	1.95	2.27
	Mr Neeraj Akhoury^	0.57	6.15
	Ms Rajani Kesari^^	0.28	4.10
	Breakup of Remuneration	**10.02**	**16.44**
	Short-term employee benefits	8.99	15.83
	Post employment benefits (including defined contribution and defined benefits)***	0.36	0.35
	Other long-term benefits***	-	-
	Employee share-based payments (Refer Note – 53)	0.67	0.26
2	**Other Payment to Key Management Personnel**		
	Commission Payable	**2.99**	**2.97**
	Mr N. S. Sekhsaria	0.50	0.50
	Mr Martin Kriegner#	-	-
	Mr Shailesh Haribhakti	0.36	0.36
	Mr Sushil Kumar Roongta	0.36	0.36
	Mr Jan Jenisch	0.20	0.20
	Ms Falguni Nayar	0.20	0.20
	Mr Sunil Mehta	0.36	0.36
	Mr Damodarannair Sundaram	0.45	0.45
	Mr Vinayak Chatterjee	0.36	0.36
	Mr M. R. Kumar	0.20	0.04
	Mr Vijay Kumar Sharma	-	0.11
	Mr Christof Hassig	-	0.03

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Sitting Fees	**0.52**	**0.78**
Mr N. S. Sekhsaria	0.05	0.07
Mr Martin Kriegner#	-	-
Mr Shailesh Haribhakti	0.08	0.11
Mr Sushil Kumar Roongta	0.08	0.11
Mr Vijay Kumar Sharma	-	0.03
Mr Jan Jenisch	0.02	0.02
Ms Falguni Nayar	0.04	0.06
Mr Christof Hassig	-	0.01
Mr Sunil Mehta	0.07	0.12
Mr Damodarannair Sundaram	0.08	0.12
Mr Vinayak Chatterjee	0.08	0.12
Mr M. R. Kumar	0.02	0.01

* During the previous year, the Company divested 100% stake in National Limestone Company Private Limited ('NLCPL') under a Share Purchase Agreement dated November 18, 2020 for a consideration of ₹20 Crore and the outstanding Inter-Corporate Loans granted by the Company to the NLCPL including accrued interest as on the date of transfer of the shares of NLCPL was written off.

** Reimbursements and cost sharing expenses receivable from the Group companies written off in previous year.

*** Provision for contribution to gratuity fund, leave encashment on retirement and other defined benefits which are made based on actuarial valuation on an overall Company basis are not included in remuneration to key management personnel.

^ Paid performance incentive for the year 2020 in April 2021 on pro rata basis for the period January 01, 2020 to February 20, 2020.

^^ Paid performance incentive for the year 2020 in April 2021 on pro rata basis for the period January 01, 2020 to August 31, 2020.

Waived their right to receive Directors' commission and sitting fees.

– The Company makes monthly contributions to provident fund managed by "The Provident Fund of ACC Ltd"" for certain eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. During the year, the Company contributed ₹25.46 Crore (Previous year – ₹24.31 Crore).

– The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme). During the year, the Company contributed ₹ Nil (Previous year – ₹25.00 Crore).

– During the year the Company has contributed ₹16.00 Crore (Previous year – ₹27.24 Crore) to ACC Trust towards Corporate social responsibility obligations.

– Transactions with related parties disclosed are inclusive of applicable taxes.

Terms and conditions of transactions with related parties

Sales and purchases

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Loans to subsidiaries:

The Company had given loans to subsidiaries for general corporate purposes. Outstanding balances at the year-end are unsecured and carry an interest rate of 7% *(Previous year – 9%)* and repayable on demand.

##Guarantees given on behalf of subsidiaries:

Guarantee given on behalf of Singhania Minerals Private Limited and Bulk Cement Corporation (India) Limited, subsidiary companies is for the purpose of approval of mining plan and compliance with Pollution Control requirements respectively.

NOTE 43: SEGMENT REPORTING

Refer Note 1 (XXII) for accounting policy on Segment Reporting

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

(a) **Cement –** Cement is a product which is obtained from clinker resulting from mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, etc, in determined ratios. Clinker is then mixed with certain amount of setting regulator (generally gypsum) which is ground together and set after mixing with water and gains strength to make Cement. In general, it is used in construction activities.

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

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

Notes to the Financial Statements

for the year ended December 31, 2021

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

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

Information about primary business segments

₹ Crore

	Cement		Ready-Mix Concrete		Total	
	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
REVENUE						
External sales	14,572.74	12,531.41	1,241.66	955.42	15,814.40	13,486.83
Inter-segment sales	199.62	126.76	6.32	2.49	205.94	129.25
Other operating revenue	333.08	294.06	3.87	3.65	336.95	297.71
	15,105.44	**12,952.23**	**1,251.85**	**961.56**	**16,357.29**	**13,913.79**
Less: Elimination	199.62	126.76	6.32	2.49	205.94	129.25
Total revenue	**14,905.82**	**12,825.47**	**1,245.53**	**959.07**	**16,151.35**	**13,784.54**
OPERATING EBITDA	**2,902.96**	**2,292.08**	**97.44**	**60.08**	**3,000.40**	**2,352.16**
Segment result	**2,354.10**	**1,708.06**	**55.81**	**13.51**	**2,409.91**	**1,721.57**
Unallocated corporate income net of unallocated expenditure					4.14	16.54
Operating Profit					**2,414.05**	**1,738.11**
Finance costs					(54.63)	(57.04)
Interest and Dividend income					193.83	182.72
Exceptional item						
Impairment of investment {Refer Note – 45 (i)}					(38.10)	-
Impairment of assets {Refer Note – 2(3)}					-	(176.01)
Restructuring cost (Refer Note – 56)					(54.76)	-
Tax expenses (Refer Note – 22)					(640.12)	(272.84)
Profit after tax					**1,820.27**	**1,414.94**
Capital expenditure (including capital work-in-progress and capital advances)	1,279.54	700.22	8.62	17.32	1,288.16	717.54
Depreciation and Amortisation	555.54	588.72	41.74	46.58	597.28	635.30
Other non-cash expenses						
Impairment losses	38.10	176.01	-	-	38.10	176.01
Expected credit loss on Incentives under Government schemes	-	128.92	-	-	-	128.92
Others	10.53	18.39	(9.13)	32.05	1.40	50.44

₹ Crore

	Cement		Ready-Mix Concrete		Total	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Segment assets	11,746.35	10,500.41	509.67	447.99	12,256.02	10,948.40
Unallocated Corporate assets					8,662.99	7,177.53
Total assets					**20,919.01**	**18,125.93**
Segment liabilities	4,709.63	3,900.80	501.91	416.54	5,211.54	4,317.34
Unallocated corporate liabilities					1,479.04	1,147.15
Total liabilities					**6,690.58**	**5,464.49**

₹ Crore

Sales from external customer	For the year ended December 31, 2021	For the year ended December 31, 2020
Within India	15,812.30	13,482.07
Outside India*	2.10	4.76
Total	**15,814.40**	**13,486.83**

No single customer contributed 10% or more to the Company's revenue for the year ended December 31, 2021 and December 31, 2020.

* Sales outside India are in functional currency.

All the non current assets are located within India.

Cash flows arising from the reportable segments:

₹ Crore

	Cement		Ready-Mix Concrete		Unallocated		Total	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
Net Cash flow from operating activities	3,234.19	3,054.57	30.17	11.96	432.74	(850.96)	2,831.62	2,215.57
Net cash used in investing activities	(1,142.10)	(732.63)	(8.77)	(12.53)	161.86	208.57	(989.01)	(536.59)
Net cash used in financing activities	(7.44)	(1.80)	(28.55)	(22.79)	(294.53)	(302.77)	(330.52)	(327.36)

NOTE 44: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006*

₹ Crore

	As at December 31, 2021	As at December 31, 2020
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal amount due to micro and small enterprises (Not overdue)	17.11	6.29
Principal amount due to micro and small enterprises (overdue)	8.22	-
Interest due on overdue	0.20	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

NOTE 45:

In assessing the carrying amounts of Investments (net of impairment loss) in companies which are currently not in operation, the Company considered various factors as detailed below:

(i) The Company had invested ₹38.10 Crore *(Previous year - ₹38.10 Crore)* in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary company. In view of no mining activity being carried out in view of ongoing litigation on transfer of lease rights and amendments brought in to the Mines and Minerals (Development and Regulations) Amendment Act, 2021, the Company has reassessed the value of investments and accordingly, during the year ended December 31, 2021, there is a charge of ₹38.10 Crore in respect of impairment in the value of investment.

(ii) The Company has investment in ACC Mineral Resources Limited (AMRL), a wholly-owned subsidiary of ₹106.80 Crore *(Previous year – ₹106.80 Crore)*. AMRL, through its joint operations had secured development for four coal blocks allocated to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgement of Supreme Court dated August 25, 2014 read with its order dated September 24, 2014.

The Government of India has commenced auctioning process for all such blocks in a phased manner. The auctioning for Bicharpur, being one of the four blocks, was completed, with the block being awarded to the successful bidder vide vesting order dated March 23, 2015. In respect of Bicharpur coal block, AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal up to March 31, 2014. The Hon'ble Delhi High Court issued its judgement on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim has been filed with Ministry of Coal for reimbursement of expenses incurred up to the date of vesting order. The decision / valuation of our claim by Ministry of Coal is awaited. The auction of remaining three coal blocks has not yet taken place.

The Company had assessed the recoverability of amount incurred on development of these coal blocks and accordingly investment of ₹42.81 Crore was impaired in the previous years.

Based on above the Company has concluded that no further impairment is necessary. (Refer Note – 37 of the consolidated financial statements for Group information).

(iii) The Company has investment of ₹2.50 Crore *(Previous year – ₹2.50 Crore)* in equity shares of OneIndia BSC Private Limited ('BSC'), joint venture of ACC Limited ('the Company'). BSC is engaged in the business of providing business shared services. The Master service agreement (MSA) for these services was entered for a period of 5 years ended December 31, 2020. The MSA agreement is not renewed. Accordingly, the financial statements of BSC for the year ended December 31, 2021 has not been prepared on going concern basis. BSC is currently not under liquidation. The management believes that amount of investment in BSC is recoverable and no impairment is necessary given the positive net worth of ₹13.34 Crore and net current assets value of ₹10.59 Crore as at December 31, 2021.

NOTE 46:

(i) The Company has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/purchase transactions for determination of taxable turnover and tax under GST laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of ₹16.15 Crore *(Previous year – ₹11.08 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Cement so converted. This transaction has been identified in the nature of lease. (Refer Note – 38)

(ii) The Company has arrangement with a Joint venture company whereby it purchases Ready-Mix Concrete and sells that to external customers. While the transactions are considered as individual sale/purchase transactions for determination of taxable turnover and tax under GST laws, considering the Joint venture essentially operates as a risk bearing licensed manufacturer of Ready-Mix Concrete in relation to the Company's local sales, this arrangement is considered in nature of royalty arrangement and revenue for sale (excluding GST) of such Ready-Mix Concrete to customer of ₹126.19 Crore *(Previous year – ₹73.18 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Ready-Mix Concrete.

NOTE 47: DISCLOSURE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 (4) OF THE COMPANIES ACT, 2013:

₹ Crore

Nature of the transaction (loans given/ investment made/ guarantee given/ security provided)	Purpose for which the loan/ guarantee/ security is proposed to be utilised by the recipient	As at December 31, 2021 *	Maximum Balance during the Year *	As at December 31, 2020 *	Maximum Balance during the Previous Year *
(a) Loans and Advances to wholly-owned Subsidiaries –					
National Limestone Company Private Limited (Refer Note – 54)	Working Capital	-	-	-	1.86
Singhania Minerals Private Limited	Working Capital	0.71	0.71	0.71	0.71
Lucky Minmat Limited	Working Capital	0.15	0.15	0.11	0.11

* Balance does not include outstanding interest .

(b) Details of Investments made are given in Note 5.

(c) Guarantee given on behalf of Singhania Minerals Private Limited, wholly-owned subsidiary company, of ₹0.77 Crore *(Previous year – ₹0.04 Crore)* are for the purpose of approval of mining plan.

(d) Guarantee given on behalf of Bulk Cement Corporation (India) Limited, subsidiary company, of ₹0.10 Crore *(Previous year – ₹ Nil)* is for the compliance of Pollution Control.

(e) The loanees have not made any investments in the shares of the Company.

(f) The above loans are repayable on demand and carries rate of interest at 7% p.a. *(Previous year – 9% p.a.)*.

NOTE 48: CAPITALISATION OF EXPENDITURE

During the year, the following amount of expenditures are recognised in the carrying amount of Property, Plant and Equipment /Capital work-in-progress (CWIP) in the course of its construction. Consequently, expenses disclosed under the respective notes to the Statement of Profit and Loss are net of amounts capitalised by the Company.

₹ Crore

	2021	2020
Balance at the beginning of the year	**39.09**	**17.53**
Expenditure during construction for projects:		
Employee benefits expense*	27.75	23.43
Rates and taxes**	-	0.80
Power and fuel**	1.22	0.56
Depreciation	0.07	-
Miscellaneous expenses**	1.41	2.02
Total	**69.54**	**44.34**
Less: Capitalised during the year	10.25	5.25
Balance at the end of the year	**59.29**	**39.09**

* Employee benefits expense represents cost of departments associated with the projects which are directly attributable to the construction and acquisition of Property, Plant and Equipment.

** Miscellaneous expenses, power and fuel and rates and taxes are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

NOTE 49: FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

₹ Crore

Particulars	Note No.	Carrying value As at December 31, 2021	Carrying value As at December 31, 2020
Financial assets			
1. Measured at Fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
Investment in Unquoted equity shares	6	14.70	4.50
Cash and cash equivalents – Mutual funds	12	345.23	580.09
(b) Designated as at FVTPL		-	-
2. Measured at amortised cost			
Cash and cash equivalents (Certificates of deposits and other deposits)	12	250.00	250.00
Other Cash and cash equivalents (Balances with banks)	12	6,652.00	4,904.82
Bank balances other than Cash and Cash Equivalents	13	156.94	156.17
Investments in Bonds	6	3.70	3.70
Security deposits (Current and Non-Current)	8 & 15	207.66	174.89
Loans and Other financial assets (Current and Non-Current)	7, 8, 14 & 15	979.07	926.19
Trade receivables	11	489.18	451.53
3. Measured at fair value through Other Comprehensive Income		-	-
Total		**9,098.48**	**7,451.89**

₹ Crore

Particulars	Note No.	As at December 31, 2021	As at December 31, 2020
Financial liabilities			
1. Measured at FVTPL			
Foreign currency forward contract	23	-	0.28
2. Measured at amortised cost			
Trade payables		1,899.21	1,416.30
Security deposits and retention money	23	792.37	801.26
Lease Liabilities		125.58	102.48
Other financial liabilities	23	334.83	205.80
Total		**3,151.99**	**2,526.12**

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

Notes to the Financial Statements

for the year ended December 31, 2021

(B) Income, Expenses, Gains or Losses on Financial Instruments

Interest income and expenses, gains or losses recognised on financial assets and liabilities in the Statement of Profit and Loss are as follows:

₹ Crore

Particulars	For the year ended December 31, 2021	For the year ended December 31, 2020
Financial assets measured at amortised cost		
Interest income	(179.59)	(182.43)
Impairment losses on trade receivable (including reversals of impairment losses)	(10.87)	37.34
Expected credit loss on Incentives under Government schemes	-	128.92
Financial assets measured at fair value through profit or loss		
Gain on sale of current financial assets	(8.41)	(14.82)
Net gain on fair valuation of current financial assets	(0.23)	(0.12)
Financial liabilities measured at amortised cost		
Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable)	3.20	1.74
Interest expenses on deposits from dealers	16.19	17.14
Interest expenses on lease liabilities	9.37	9.80
Derivatives - Foreign exchange forward contracts		
Net loss/(gain) on foreign currency forward contract	1.29	0.59
Net gain recognised in Statement of Profit and Loss	**(169.05)**	**(1.84)**

(C) Fair Value Hierarchy

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

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

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

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

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

For assets and liabilities which are measured at fair value as at the Balance Sheet date, the classification of fair value calculations by category is summarised below:

₹ Crore

	Level 1	Level 2	Level 3	Total
As at December 31, 2021				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	14.70	14.70
Cash and cash equivalents – Mutual funds	345.23	-	-	345.23
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	-	-	-
As at December 31, 2020				
Financial assets				
1. Measured at Fair value through profit or loss (FVTPL)				
(a) Mandatorily measured:				
Equity investments	-	-	4.50	4.50
Cash and cash equivalents - Mutual funds	580.09	-	-	580.09
(b) Designated as at FVTPL	-	-	-	-
2. Measured at fair value through Other Comprehensive Income	-	-	-	-
Financial liabilities				
Measured at FVTPL				
Foreign currency forward contract	-	0.28	-	0.28

During the reporting period ending December 31, 2021 and December 31, 2020, there was no transfer between level 1 and level 2 fair value measurement.

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

Level 1: Investments in liquid and short-term mutual funds, which are classified as FVTPL are measured using net asset values at the reporting date multiplied by the quantity held.

Level 2: The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates at the reporting date.

Level 3: Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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

Other financial assets and liabilities

The management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, trade payables and other financial liabilities (except derivative financial instruments) approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTE 50: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Evaluation and Management is an ongoing process within the Company. The Company has a system based risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments.

The Company is exposed to market, credit and liquidity risks. The Board of Directors ('Board') oversee the management of these risks through its Risk Management Committee. The Company's Risk Management Policy has been formulated by the Risk Management Committee and approved by the Board. The Policy articulates on the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It also prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate risks in order to minimise potential adverse effects on the Company's financial performance.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, Cash and cash equivalents, Bank balances other than cash and cash equivalents, Security deposits, Loans and other financial assets	Credit ratings and Ageing analysis	1. Diversification of counterparties 2. Investment limits 3. Check on counterparties basis credit rating 4. Number of days overdue 5. Eligibility under State Investment Promotion Schemes for incentives
Liquidity Risk	Borrowings, Trade payables, Deposits from dealers, Foreign exchange Forward contract, lease liabilities and other financial liabilities	Maturity analysis	1. Preparing and monitoring forecasts of cash flows 2. Maintaining sufficient cash and cash equivalents
Market Risk – Foreign Exchange	Financial assets and liabilities denominated in other than functional currency	Sensitivity analysis	1. Exposure limits 2. Foreign exchange Forward contract
Market Risk – Commodity price risk	Movement in prices of commodities mainly Coal and Pet Coke	Sensitivity analysis	1. Fuel mix optimisation 2. Longer term contracts 3. Usage of alternative fuels and renewable energy
Market Risk – Interest rate risk	Security deposit from dealers	Sensitivity analysis	1. Periodical reset of interest rate linked to market

(i) Credit risk

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

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for the year ended December 31, 2021

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

Credit risk arising from short-term liquid funds, other balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the credit rating agencies. None of the financial instruments of the Company result in material concentration of credit risks.

Other financial assets mainly include incentives receivable from the government, loans and security deposits given. There are no indications that defaults in payment obligations would occur in respect of these financial assets.

Incentives receivable from the Government
The Company's manufacturing units in various states; mainly those in Maharashtra and Jharkhand are eligible for incentives under the respective State Industrial Policy. The Company has been accruing these incentives as refund claims in respect of VAT / GST paid, on the basis that all attaching conditions were fulfilled by the Company and there is a reasonable assurance that the incentive claims will be disbursed by the State Governments.

The Company has estimated the expected credit loss based on time period to recover these incentives and carries a provision of ₹128.92 crore as at December 31, 2021 *(Previous year - ₹ 128.92 crore)*.

The Company is confident about the ultimate realization of the dues from the State Governments and there is no risk of default.

Movement of Incentives under Government schemes

	₹ Crore
As at January 01, 2020	832.12
Incentive accrued	159.94
Incentive received	-
Expected credit loss	(128.92)
As at December 31, 2020	**863.14**
Incentive accrued	154.74
Incentive received	(112.28)
Others	(0.85)
As at December 31, 2021 (Refer Note - 8 & 15)	**904.75**

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

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

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired.

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

₹ Crore

	As at December 31, 2021	As at December 31, 2020
Neither past due nor impaired	236.99	221.33
Past due not impaired		
- 1-180 days	241.54	214.63
- more than 180 days	10.65	15.56
Past due impaired		
- 1-180 days	3.45	1.18
- more than 180 days	51.84	66.12
Total	**544.47**	**518.82**

Expected credit loss assessment

For trade receivables, as a practical expedient, the Company compute credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated. Accordingly, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall.

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

	₹ Crore
As at January 01, 2020	41.13
Provided during the year	39.64
Amounts utilised	(11.18)
Reversals of Provision	(2.30)
As at December 31, 2020	**67.29**
Provided during the year	1.52
Amounts utilised	(1.13)
Reversals of Provision	(12.39)
As at December 31, 2021	**55.29**

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

Credit impaired

For expected credit loss as at each reporting date the Company assesses position for the assets for which credit risk has not significantly increased from initial recognition, assets for which credit risk has increased significantly but are not credit impaired and for assets for which credit risk has increased significantly and are credit impaired. The Company assesses detrimental impacts on the estimated future cash flows of the financial asset including loans, receivables and other assets. Based on the assessment of the observable data relating to significant financial difficulty and creditworthiness of the counterparties, the management believes that there are no financial assets which are credit impaired.

(ii) Liquidity risk

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

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

	Carrying amount	Less than 1 year	1 -5 Years	More than 5 year	Total
As at December 31, 2021					
Other financial liabilities*	1,127.20	1,145.41	-	-	1,145.41
Lease Liabilities	125.58	32.58	87.24	53.73	173.55
Trade payables	1,899.21	1,899.21	-	-	1,899.21
	3,151.99	**3,077.20**	**87.24**	**53.73**	**3,218.17**

Notes to the Financial Statements
for the year ended December 31, 2021

	Carrying amount	Less than 1 year	1 -5 Years	More than 5 year	Total
As at December 31, 2020					
Other financial liabilities*	1,007.06	1,027.54	-	-	1,027.54
Lease Liabilities	102.48	26.10	76.18	29.15	131.43
Foreign exchange Forward contract	0.28	0.28	-	-	0.28
Trade payables	1,416.30	1,416.30	-	-	1,416.30
	2,526.12	**2,470.22**	**76.18**	**29.15**	**2,575.55**

*Other financial liabilities includes deposits received from customers amounting to ₹628.09 Crore *(Previous year ₹706.13 Crore)*. These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

(iii) Market risk

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

Foreign currency risk

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

Based on sensitivity analysis, the Company has well defined forex exposure threshold limit approved by Board of Directors, beyond which all forex exposure are fully hedged.

The carrying amounts of the Company's foreign currency denominated monetary assets at the end of the reporting periods expressed in ₹, are as follows:

₹ Crore

As at December 31, 2021	USD	EUR	CHF	GBP
Trade Payable	75.53	4.39	0.03	0.01
Foreign exchange derivative contracts	(61.43)	-	-	-
Net exposure to foreign currency risk (liabilities)	**14.10**	**4.39**	**0.03**	**0.01**

₹ Crore

As at December 31, 2020	USD	EUR	CHF	GBP
Trade Payable	5.19	6.33	0.11	0.01
Foreign exchange derivative contracts	(0.35)	-	-	-
Net exposure to foreign currency risk (liabilities)	**4.84**	**6.33**	**0.11**	**0.01**

Foreign currency sensitivity

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

	As at December 31, 2021		As at December 31, 2020	
Particulars	5% strengthening of ₹	5% weakening of ₹	5% strengthening of ₹	5% weakening of ₹
USD	0.71	(0.71)	0.21	(0.21)
EUR	0.22	(0.22)	0.32	(0.32)
CHF	-	-	0.01	(0.01)
TOTAL	**0.93**	**(0.93)**	**0.54**	**(0.54)**

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

Market Risk – Commodity price risk

Commodity price risk for the Company is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Company. Since the energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to a drop in operating margin. To manage this risk, the Company take following steps:

1. Optimizing the fuel mix, pursue longer term and fixed contracts where considered necessary.
2. Consistent efforts to reduce the cost of power and fuel by using both domestic and international coal and petcoke.
3. Use of alternative Fuel and Raw Materials (AFR) and enhancing the utilisation of renewable power including its onsite and offsite solar, wind, hydro power and Waste Heat Recovery System (WHRS).

Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirements are monitored by the central procurement team.

Market Risk – Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the interest rate risk arises primarily from security deposit from dealers. The Company has not used any interest rate derivatives.

The Company has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/lower the profit for the year ended December 31, 2021 would decrease/increase by ₹3.14 Crore *(Previous year – ₹3.53 Crore)*.

Unrepresentativeness of Sensitivity analysis

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

NOTE 51: CAPITAL MANAGEMENT

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

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

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

₹ Crore

	Note No.	As at December 31, 2021	As at December 31, 2020
Total Debt		-	-
Less: Cash and cash equivalents	12	(7,247.24)	(5,734.92)
Net debt		**(7,247.24)**	**(5,734.92)**
Equity	18 & 19	14,228.43	12,661.44
Debt to Equity (Net)		**NA**	**NA**

NOTE 52: DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended December 31, 2020 ₹14 per share *(Previous year – ₹ Nil)*	262.90	-
Interim dividend for the year ended December 31, 2021 ₹ Nil *(Previous year – ₹14 per share)**	-	262.90
	262.90	**262.90**
Proposed dividends on equity shares:		
Final dividend for the year ended December 31, 2021 ₹58 per share	1,089.17	-
Final Dividend for the year ended December 31, 2020 ₹14 per share	-	262.90
	1,089.17	262.90

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at December 31.

* Subsequent to the year ended December 31, 2019, the Board of Directors decided to revoke the recommendation for payment of final dividend for the Financial Year ended December 31, 2019 and declared payment of interim dividend for the financial year ended December 31, 2019 at ₹14 per share.

Notes to the Financial Statements
for the year ended December 31, 2021

NOTE 53: EMPLOYEE SHARE-BASED PAYMENTS
Description of plan – Holcim Performance Share Plan

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

6,600 *(Previous year – 7,800)* performance shares at a fair value of ₹4,226 per share *(Previous year – ₹3,352 per share)* were granted in 2021. Internal performance conditions are attached to the performance shares and are based on Group Earnings per Share (EPS) and Group Return on Invested Capital (ROIC). During the year, ₹4.18 Crore *(Previous year – ₹2.66 Crore)* is charged to the Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the Parent.

Information related to awards granted through the Performance Share Plan is presented below:

₹ Crore

	For the year ended December 31, 2021	For the year ended December 31, 2020
As at January 01	16,200	9,000
Granted	6,600	7,800
Forfeited	(5,400)	(600)
As at December 31	**17,400**	**16,200**

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

NOTE 54:
During the previous year the Company divested 2,00,000 Equity Shares representing 100% stake in National Limestone Company Private Limited (NLCPL) under a Share Purchase Agreement dated November 18, 2020. The Company has received the entire consideration amount of ₹20 Crore. The Company has, therefore, accounted for ₹3.94 Crore as profit arising from divestment.

NOTE 55:
The Competition Commission of India ("CCI") initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behavior and conducted search and seizure operations in December 2020 against few companies. The Director General of CCI in January 2021 sought information from the Company and the information sought is provided. The Company is of the firm view that it has acted and continues to act in compliance with competition laws. The Company believes that this does not have any impact on the financial statements.

NOTE 56:
During the year ended December 31, 2021, there is a charge of ₹54.76 Crore on account of restructuring costs to employees and contract staff.

NOTE 57: RISK DUE TO OUTBREAK OF COVID-19 PANDEMIC
The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same.

NOTE 58:

The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE 59:

The Company has reclassified security deposits as below to give effect to incremental changes in Division II to Schedule III to the Companies Act, 2013.

₹ Crore

Description	Note No.	Previously reported amount	Revised amount	Change
Balance Sheet				
Non-current financial assets				
Loans	7	129.35	7.59	121.76
Other financial assets	8	645.65	767.41	(121.76)
Current financial assets				
Loans	14	59.80	6.68	53.12
Other financial assets	15	266.27	319.39	(53.12)

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA
Chief Financial Officer

RAJIV CHOUBEY
Company Secretary
ACS: 13063

Mumbai, February 09, 2022

MARTIN KRIEGNER
Director
DIN: 00077715

DAMODARANNAIR SUNDARAM
Director
DIN: 00016304

NEERAJ AKHOURY
Director
DIN: 07419090

Form AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ Crore)

Sl. No.	Particulars					
1	Name of the Subsidiary	ACC Mineral Resources Limited	BulK Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited*	Singhania Minerals Private Limited
2	Reporting period for the Subsidiary	January 01, 2021 to December 31, 2021	January 01, 2021 to December 31, 2021	January 01, 2021 to December 31, 2021	Refer Note – (a) below	January 01, 2021 to December 31, 2021
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA
4	Share capital	121.95	33.64	3.25	NA	0.52
		121.95	*33.64*	*3.25*	*NA*	*0.52*
5	Reserves and surplus	(35.19)	27.62	(6.33)	NA	(1.46)
		(37.39)	*25.68*	*(5.74)*	*NA*	*(1.48)*
6	Total assets	90.70	71.34	0.67	NA	1.84
		88.40	*68.30*	*0.65*	*NA*	*1.40*
7	Total liabilities	3.94	10.08	3.75	NA	2.78
		3.84	*8.98*	*3.14*	*NA*	*2.30*
8	Turnover	-	22.04	-	-	1.50
		-	*18.48*	-	-	-
9	Profit/(Loss) before tax	2.19	2.60	(0.59)	-	0.03
		2.91	*2.08*	*(0.50)*	*1.64*	*(0.61)*
10	Tax expenses	(0.01)	0.66	-	-	0.01
		0.01	*0.50*	-	-	-
11	Profit/(Loss) after tax	2.20	1.94	(0.59)	-	0.02
		2.90	*1.58*	*(0.50)*	*1.64*	*(0.61)*
12	Proposed dividend	-	-	-	-	-
		-	-	-	-	-
13	% of shareholding	100%	94.65%	100%	NA	100%
		100%	*94.65%*	*100%*	*NA*	*100%*

Form AOC-1

Part "B": Associates and Joint Ventures

Sl. No.	Name of Associates	Alcon Cement Company Private Limited	Asian Concretes and Cements Private Limited
1	Latest audited Balance Sheet Date	December 31, 2021	December 31, 2021
	Shares of Associates held by the Company on the year end	4,08,001	81,00,000
	Amount of Investment in Associates (₹ Crore)	22.25	36.81
2	Extend of Holding (%)	40%	45%
3	Description of how there is significant influence	Note (b)	Note (b)
4	Reason why the associates is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	5.60	98.37
		5.70	*89.12*
6	Other Comprehensive Income for the year (₹ Crore)	0.82	20.56
		0.73	*19.11*
	i. Considered in Consolidation (₹ Crore)	0.33	9.25
		0.29	*8.60*
	ii. Not Considered in Consolidation (₹ Crore)	0.49	11.31
		0.44	*10.51*

Sl. No.	Name of Joint Ventures	OneIndia BSC Private Limited	Aakaash Manufacturing Company Private Limited
1	Latest audited Balance Sheet Date	December 31, 2021	December 31, 2021
	Shares of Joint Venture held by the Company on the year end	25,01,000	4,401
	Amount of Investment in Joint Venture (₹ Crore)	2.50	6.01
2	Extend of Holding (%)	50%	40%
3	Description of how there is significant influence	NA	NA
4	Reason why the joint venture is not consolidated	-	-
5	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	6.67	8.90
		6.55	*8.08*
6	Other Comprehensive Income for the year (₹ Crore)	0.25	4.85
		(1.30)	*1.61*
	i. Considered in Consolidation (₹ Crore)	0.12	1.94
		(0.65)	*0.64*
	ii. Not Considered in Consolidation (₹ Crore)	0.13	2.91
		(0.65)	*0.97*

Notes:

(a) *During the previous year, the Company divested 100% stake in its wholly-owned subsidiary company National Limestone Company Private Limited under a Share Purchase Agreement dated November 18, 2020.

(b) There is significant influence due to percentage (%) of equity Share capital.

(c) Figures in italics pertain to previous year.

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

N. S. SEKHSARIA
Chairman
DIN: 00276351

SRIDHAR BALAKRISHNAN
Managing Director & CEO
DIN: 08699523

YATIN MALHOTRA
Chief Financial Officer

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Director
DIN: 00016304

NEERAJ AKHOURY
Director
DIN: 07419090

Mumbai, February 09, 2022